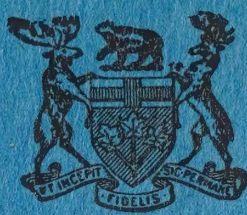


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THE ONTARIO MUNICIPAL BOARD

In the Matter of Sections 20 and 22 of "*The Municipal Act*,"
(R.S.O., 1950, Chapter 243)

The Corporations of

- The City of Toronto and The Town of Mimico,

Applicants

— and —

The Corporations of

The County of York,

The Towns of Leaside, New Toronto and Weston,
The Villages of Forest Hill, Long Branch and Swansea
and

The Townships of Etobicoke, York, North York,
East York and Scarborough,

Respondents

DECISIONS AND RECOMMENDATIONS
OF THE BOARD

Dated January 20, 1953



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Dated January 20, 1953

TORONTO

Printed and published by Baptist Johnston, Printer to the Queen's Most Excellent Majesty



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ONTARIO

THE ONTARIO MUNICIPAL BOARD

IN THE MATTER OF Sections 20 and 22 of "The Municipal Act" (R.S.O. 1950, Chapter 243); and

IN THE MATTER OF an Application of the City of Toronto for an Order amalgamating the City of Toronto with certain municipalities, namely: The Towns of Leaside, Mimico, New Toronto and Weston; the Villages of Forest Hill, Swansea and Long Branch; and the Townships of East York, North York, York, Etobicoke and Scarborough; (P.F.C.-2976); and

IN THE MATTER OF an Application of the Town of Mimico for an Order for the creation of an area consisting of the City of Toronto; the Towns of New Toronto, Leaside, Mimico and Weston; the Villages of Forest Hill, Long Branch and Swansea; and parts of the Townships of Etobicoke, North York and Scarborough, for the joint administration of certain services; (P.F.B.-6071).

(Before L. R. CUMMING, Q.C., Chairman, and W. J. MOORE, O.L.S., Vice-Chairman, from June 19, 1950, until June 7, 1951. The late W. P. Near, B.A.Sc., then Senior Vice-Chairman, was present on the hearings until September 27, 1950.)

COUNSEL:

<i>F. A. A. Campbell, Q.C.</i>	for the City of
<i>John A. Deacon</i>	Toronto
<i>G. W. G. Gauld</i>	for the Town of Mimico

Applicants

<i>Hon. C. P. McTague, Q.C.</i>	for the County of
<i>J. D. Lucas, Q.C.</i>	York
<i>H. E. Manning, Q.C.</i>	for the Village of
<i>Melville Grant, Q.C.</i>	Forest Hill
<i>H. A. Hall Q.C.</i>	for the Township of York
<i>C. F. Moore, Q.C.</i>	for the Township of North York
<i>K. V. Stratton, Q.C.</i>	for the Township of East York
<i>Hollis E. Beckett, Q.C.</i>	for the Township of Scarborough
<i>H. L. Steele, Q.C.</i>	for the Township of Etobicoke and the Town of New Toronto
<i>Gordon V. Jackson, Q.C.</i>	for the Township of Toronto
<i>S. N. Schatz, Q.C.</i>	for the Town of Leaside
<i>Wilfrid Judson, Q.C.</i>	for the Town of Weston
<i>Melville Grant, Q.C.</i>	for the Village of Long Branch
<i>J. J. Addy, Q.C.</i>	for the Village of Swansea

Respondents

and

<i>G. L. Howell</i>	for the Police Village of Thistletown
<i>J. L. Grogan, Q.C.</i>	for the Public Utilities Commission of the Township of Scarborough
<i>R. F. May, Q.C.</i>	for the Board of Education of the Township of York
<i>I. S. Fairty, Q.C.</i>	for the Toronto Transportation
<i>W. F. Irvin</i>	Commission
<i>F. G. Gardiner, Q.C.</i>	for the Toronto and York Planning Board
<i>H. W. Timmins Q.C.</i>	for the Toronto Metropolitan Home Builders Association

DECISIONS OF THE BOARD

I. THE APPLICATIONS

For the purposes of this decision The Corporation of the City of Toronto will be referred to as "the city," the Corporation of the County of York will be called "the county" and the other respondents will be called "Leaside," "Mimico," "New Toronto," "Weston," "Forest Hill," "Swansea," "Long Branch," "East York," "North York," "York," "Etobicoke" and "Scarborough," as the case may be, without regard to their corporate status. The respondents, other than the county, will be referred to collectively as "the suburbs." There are fourteen municipalities in the county other than the twelve suburbs directly concerned in these applications and these will be called "the northern municipalities." The statistical material used, unless otherwise stated, will refer to the calendar year 1949 which was the year immediately preceding the commencement of the actual hearing.

A brief review of the origin and immediate background of the applications is desirable in view of the unusual length of time required for the actual hearing and the subsequent consideration by the board of the evidence and argument. Under the authority of legislation passed for the first time in 1946,¹ the Mimico council passed a by-law on February 4, 1947 authorizing an application to the board for an order for the creation of an area for the joint administration of certain specified services. The proposed area was very extensive and the application was not immediately ready for hearing. After a number of preliminary hearings the board gave final directions for a hearing in an order dated October 3, 1949 and the date fixed for the opening of the hearing was January 24, 1950. On December 1, 1949, The Toronto and York Planning Board, responsible for the preparation of an official plan for a planning area which included both the city and the county, published a report which included a recommendation that the eight municipalities lying between the Humber River and the Township

¹*The Municipal Amendment Act 1946, now Section 22 of The Municipal Act.*

of Scarborough should be unified. Almost at the same time a special committee of the Civic Advisory Council published a report setting out in detail a number of alternative proposals for the reorganization of the existing system of local government in the Toronto metropolitan area.¹ Although in that report the committee made no specific recommendations, it had been requested by the council of the city to study the entire problem, and the issue of its first report resulted in a renewal of public interest in the problem.

On January 16, 1950 on the invitation of the Prime Minister, the heads of the so-called "traditional municipalities," consisting of the city and its twelve suburbs, met to discuss the possibility of some reorganization and, at the suggestion of the Prime Minister, constituted themselves a committee known as the Toronto Area Committee for the purpose of making further investigations in answer to four specific questions submitted by the Prime Minister in his opening address.² In the meantime the council of Long Branch, by by-laws passed on January 11 and January 17, 1950, authorized an application to the board for an order for the amalgamation of New Toronto, Mimico, Long Branch and Etobicoke including the Village of Thistletown, and this application was promptly filed with the board on January 18, 1950. A further complication was added when the council of the city on February 2, 1950 adopted its by-law Number 17847 authorizing an application to the board for an order amalgamating the city with Forest Hill, Long Branch, Swansea, Leaside, Mimico, New Toronto, Weston, East York, North York, York and substantial portions of Etobicoke and Scarborough.

At a preliminary hearing of the Toronto application on March 24, 1950, the board issued certain directions for the production of documents and the exchange of information and, with the consent of counsel for Mimico and Long Branch, the Toronto application was given priority on the understanding that the evidence and material submitted on the hearing should be deemed applicable to the pending Mimico application and that the hearing of the Long Branch application would be postponed indefinitely. On April 27, 1950, the board heard a motion made on behalf of the

¹Exhibit 4.

²Exhibit 30—text of the address of the Prime Minister, January 16, 1950.

present respondents, other than Mimico, in which the board's jurisdiction to proceed with the Toronto application was attacked on various grounds. In a written decision dated May 8, 1950 the board ruled that it could not proceed with the Toronto application on the ground that the enabling legislation did not authorize an order for the amalgamation of one or more municipalities with parts of adjoining municipalities.¹ Following this decision the council of the city on May 15, 1950 passed the by-law authorizing the application now before the board.² The board renewed the directions previously given with respect to the filing and exchange of information and briefs and with respect to the concurrent hearing of the Mimico application. The public hearing of both applications commenced on June 19, 1950 and proceeded steadily notwithstanding a number of unavoidable adjournments and delays until the conclusion of oral argument on June 7, 1951 when the board's decision was reserved.

It is immediately obvious that both applications involve issues of the utmost importance to the city, the suburbs and the county and their present and future populations. The city seeks an order "amalgamating" the city with the twelve respondent municipalities and there seems to be no doubt that under the legislation relied upon, the board has sufficient power to issue such an order notwithstanding its far-reaching implications. In the same section the board is given power upon the application of a municipality to annex that municipality or any part or parts thereof to any other municipality or municipalities and to annex the whole or any part of another municipality to the applicant municipality. Whether the application be for amalgamation or annexation, the board may impose such terms as it may deem expedient.³ It may also include a greater or smaller area or areas than the area or areas specified in the application and before proceeding with the hearing of the application it may require that the authorizing by-law receive the assent of the electors entitled to vote on money by-laws in the applicant municipality. Similar powers are given to the board with respect to an application for the creation of an area for the joint administration of services under what is now Section 22 of The Municipal Act.

¹*The Ontario Municipal Board Annual Report 1950*, page 29

²Exhibit 1

³*The Municipal Act*, Section 20 (1).

Prior to the commencement of the actual hearing, counsel for the respondents sought an order of the board requiring a vote of the electors of the city, chiefly on the ground that in a matter of such importance the decision of the council to seek amalgamation should receive the endorsement of the ratepayers. After consideration this request was denied for the reasons stated in the board's written decision previously referred to. A number of other preliminary objections were raised by various counsel and there was some further objection to the form of the city's by-law and subsequent application. As on the previous motion, it was contended that the order actually sought by the city contemplated annexation and that the term "amalgamation" was inaccurate and misleading under the circumstances. The board does not consider that anything can be usefully added to its opinion on that point in its earlier decision. It seems to be quite clear that in requesting an order for amalgamation the city is asking for the complete dissolution of all thirteen existing municipal corporations and the creation in their stead of a new city, under a name to be chosen by the board,¹ having jurisdiction over the entire geographical area now included in the existing municipalities. The creation of such a city would result in the separation of the twelve suburbs from the County of York so that the present county is vitally interested in the issues raised by the applications. The board sees no merit in the objections raised, on behalf of some of the respondents, to the form of the by-law authorizing the city's application and, more particularly to the omission of certain proposed terms or conditions which were contained in a Board of Control report to the city council prior to the adoption of the by-law,² nor does it consider it important that no name was suggested for the proposed new city. The legislation would appear to include ample power to deal with such matters and many others which might require consideration in the event that an annexation or amalgamation order should be issued. It is indeed doubtful whether the by-law could legally include such terms or conditions purporting to limit the discretionary powers of the board and there may be serious doubt whether the board would have jurisdiction to hear and dispose of an application so framed. In any event, the true nature and scope of the order sought by the

¹Section 20 (5)

²Exhibit 21.

city was never in doubt and the twelve suburbs correctly accepted it as a challenge to their right to continue as separate municipalities for any purpose and, with the single exception of Mimico, joined with the county in vigorous opposition to the city's application.

The Mimico application will be discussed in greater detail in a subsequent section of this decision. In direct contrast to the city's proposal for complete dissolution of the existing municipalities, it proposes that they should continue but with reduced powers and responsibilities and that there should be created an entirely new authority for the joint administration of a number of services specified in the application. The area sought to be included is almost the same as the area proposed for amalgamation but parts of Scarborough and Etobicoke are omitted. The Mimico application was opposed throughout by all the other municipalities including the city and the county. Counsel for Mimico made it very clear that his municipality preferred the wider proposal of the city but asked that the board grant the order sought in the Mimico application if the city's application should not succeed.

Both applications bring into question the existing structure of local government in the largest and most important metropolitan area in the province. Included within the area is the second largest city in Canada, containing approximately 22,000 acres of land with an assessed population in 1949 of nearly 675,000 persons. Surrounding it are the twelve suburbs, some of them densely populated cities in everything but name, with a combined population in the same year of nearly 350,000 persons and a total area of more than 130,000 acres. At the commencement of the hearing the city and its suburbs contained one-quarter of the total assessed population of the entire province and the total local assessment exceeded \$1½ billion, more than one-third of the taxable assessment of all organized municipalities in the province. Responsibility for the provision of municipal, educational and other local services in 1949 was divided among thirteen municipal councils and more than eighty local boards, commissions and authorities,¹ and this elaborate organization was responsible for the expenditure of a total annual revenue of some \$75 million of which nearly \$56 million was derived from local taxation, the balance being

¹Exhibit 14.

made up from provincial grants and subsidies and miscellaneous municipal revenues. By the end of 1949 the total debenture debt of the thirteen municipalities was \$107 million and the annual interest and principal payments on this debt represented slightly more than twenty-five per cent of all tax revenues.¹

The proposals for the reorganization and reform of this vast local government structure which have been brought forward in these applications have imposed upon the board a heavy burden of responsibility. Both applicants seek major changes rather than minor adjustments. The application of the city is founded upon the contention that nothing less than the complete dissolution of the existing local governments and their boards is required in the proposed reorganization. The Mimico application now advanced as an alternative, though less drastic, calls for a sweeping reduction of the powers and responsibilities of the various local authorities and the creation of a new type of central authority for the entire area. Under these circumstances it seems clear, as contended by counsel for the opposing respondents, that a heavy burden of proof rests upon the applicants.

In the opinion of the board this burden has a dual character. The applicants must, in the first place, satisfy the board that the existing system is so inadequate to serve the most essential needs of the area that some type of drastic reform is clearly necessary. If they are successful in this branch of their case, they must then convince the board that the specified changes requested can be reasonably expected to provide an adequate solution of the problems and difficulties which, in the view of the applicants, must be attributed to fundamental defects in the present system. In other words, it is the responsibility of the applicants by evidence and argument to demonstrate beyond question the existence of an urgent need for change, and they must then proceed to show that at least one or other of their specific proposals will meet that need.

¹Exhibit 55.

II. THE EVIDENCE

It was perhaps inevitable in view of the nature of the applications and the number and size of the municipalities concerned that both the applicants and the respondents felt obliged to present an unprecedented volume of evidence requiring a public hearing extending over a full year. The applicants, for the most part, attempted to direct attention to the more general aspects of the existing relationships between the city and its suburbs and attempted to show the nature and significance of a number of problems requiring solution in the interests of both major divisions of the population, the alleged inadequacy of existing methods of obtaining inter-municipal co-operation, the history of previous attempts to find a solution and the advantages of a unitary system of local government as a means of advancing the long term interests of the entire community. The respondents, on the other hand, sought to impress the board with the substantial achievements of a succession of local councils and authorities in meeting the difficult problems involved in local development. The hearing became in effect an exhaustive review of the history, development and the present administrative organization and operations of each of the thirteen municipalities and when it was concluded some eighty-five witnesses had given oral testimony running to about three million words and more than three hundred exhibits were filed, including a large number of voluminous reports, a great mass of statistical material and elaborate financial surveys prepared by expert accountants for the purposes of the hearing.

The board wishes to place on record its appreciation of the sincere efforts of both witnesses and counsel to assist the board in every possible way by the presentation of all the available facts, the preparation of special statistical studies and the collection of a considerable number of interesting and valuable reports and opinions from various committees, individuals and advisory bodies over a very lengthy period. It is particularly indebted to counsel for their able

and exhaustive arguments and their manifest desire to co-operate with the board in every way. Largely as a result of their efforts, and regardless of the result of these particular applications, a very valuable collection of information has been made available for future study and research. The board, on its part, has devoted a great deal of time to the study and analysis of all this material. It has decided, however, that no good purpose can be served by attempting to include any exhaustive review of the evidence and exhibits if its decision is to be kept within reasonable limits. It is proposed, therefore, to deal only with a number of the facts disclosed in the evidence which the board considers most significant in an appraisal of the present situation and the consideration of the remedies which have been offered.

For many reasons the evidence given to the board showing the tremendous growth of population in the area in recent years must be assigned a position of first importance. It is, of course, a matter of common knowledge that in the growth of the nation as a whole since Confederation there has been a pronounced shifting of population from rural areas to urban centres, but it is not generally realized that the great industrial development of the nation and the province during and since the second world war has accelerated this movement to the extent that the recently completed census now shows that two-thirds of the fourteen million persons in Canada are now urban residents and that practically the entire increase of population since the previous census has occurred in and around urban centres.

As the primary responsibility of every municipality is the provision of a variety of public services to the inhabitants of a defined local area and the financing of such services mainly from local taxation, it is obvious that rapid or extensive population increases must seriously affect the whole structure of local government. In a very real sense most of the problems of the area now under consideration can be attributed to the impact of new population in unprecedented volume, especially during recent years. In the following table compiled from the annual reports of assessed population published by the Department of Municipal Affairs and from the preliminary census figures released by the Dominion

Bureau of Statistics, the growth and distribution of population in the Toronto area are shown:

	ASSESSED POPULATION			Dom.
	1945	1950	1951	Census 1951
York.....	82,753	95,669	96,770	101,582
North York.....	26,432	62,646	80,771	85,897
East York.....	43,399	60,155	62,301	64,616
Scarborough.....	25,482	48,141	56,161	56,292
Etobicoke.....	21,402	44,139	52,635	53,779
Forest Hill.....	13,960	16,191	16,374	15,305
Leaside.....	9,800	15,255	15,686	16,233
Mimico.....	8,785	10,410	11,503	11,342
New Toronto.....	10,173	10,961	11,072	11,194
Long Branch.....	5,220	8,044	8,520	8,727
Weston.....	6,337	8,018	8,088	8,677
Swansea.....	7,217	7,864	8,080	8,072
Total (Suburban).....	260,960	387,493	427,961	441,716
City of Toronto.....	681,802	667,487	653,499	675,754
Total (City and Suburbs).....	942,762	1,054,980	1,081,460	1,117,470

The table reveals clearly that while the population of the entire area has increased by a little less than fifteen per cent, the population of the city proper has actually declined, and the rate of increase in the suburbs as a group has been more than seventy per cent. It is also clear that in the last few years many of the suburbs appear to have reached the limit of their capacity for new residents and that the great bulk of the increased population has been funnelled into the large townships of North York, Scarborough and Etobicoke. In the life of an ordinary municipality six years is a comparatively short space of time but in North York, for example, the population has tripled in that brief period and in Scarborough and Etobicoke it has more than doubled. In the single year following the conclusion of the hearing of these applications, North York had to provide for a thirty per cent increase in population and the rate of increase in that year in Scarborough and Etobicoke was even higher.

It should be noted that the population of the entire area has already reached a point which approaches the estimates of competent authorities made as recently as 1949 with respect to the probable future population in 1970.¹ No considered opinions of the probable growth of population in the metropolitan area, other than those contained in the reports mentioned, were presented to the board during the hearing and the board is not in a position to decide whether the spectacular increases

¹Exhibit 7, page 10; Exhibit 4, page 9.

of the immediate past may be expected to continue. Much will depend upon factors beyond the individual or collective control of the municipalities, such as the maintenance of the existing high level of business activity and employment, the extent of the future immigration and the prospect of continued heavy capital investment in industrial plants. During the first three decades of the present century the census population of the city tripled, climbing from 209,892 in 1901 to 627,231 in 1931. Ten years later the census of 1941 revealed a population of only 667,457 indicating clearly that the point of saturation had been reached,¹ a conclusion which is verified by the 1951 census figure of 675,754 previously quoted.

It is significant that as the population of the city tended to become static, that of the suburbs increased enormously. A compilation made by the Civic Advisory Council² shows that in 1921 the assessed population of all twelve suburbs was only 81,192, but by 1931 it had more than doubled. Ten years later the twelve suburbs had a combined assessed population of 236,428, notwithstanding the influence of the depression years, and it has been shown that in 1951 the assessors reported nearly 428,000 persons in these municipalities. As has been pointed out, no less than nine of the twelve suburbs now find themselves in the same position as the city in being physically unable to provide room for new residents or even for normal population increases.

From the date of its incorporation as a city in 1834 until the outbreak of the war in 1914, a period of eighty years, the city provided for its expanding population by successive annexations of portions of adjoining lands with the result that the total area of the city, including land and water, was increased from 10,356 acres to approximately 25,000 acres. During the succeeding period of nearly forty years the city annexed only 205 acres mainly in small parcels except for the annexation of 93.8 acres from East York in 1920.

It seems clear from the evidence presented to the board that annexation to the city was considered to be a privilege granted to residents outside the pale and that little, if any, attention was given to the city's need for growing space. Certainly there can

¹Annual Report of the Assessment Commissioner, Toronto, for 1951.

²Exhibit 6, Table 1.

be no doubt that the severe limitation and the eventual complete termination of the city's expansion by the normal process of annexation reflected the deliberate policy of a succession of city councils and could not be attributed to any reduction in the need for more land or to objections of the neighbouring municipalities. As late as 1931, the city had a unique opportunity to provide for its future growth by adding the whole of the townships of York and East York, but, after an adverse report from a committee of civic department heads the council flatly rejected the proposal.¹ Although in a minority report some members of the committee, including the present city planning commissioner, favoured further investigation, the majority strongly recommended that further annexations "should not be considered." They endorsed the recommendation of a similar committee made in 1928 which ended with the following words:

"For the reasons reported, we urge with all the force of which we are capable, that further annexations to the City of Toronto be not made until such time as undoubted compensating advantages exist. This municipality is entering a period of prosperity unexampled in its history and we should be remiss in our duty if we did not combat with every effort any proposal which, in our judgment, would, for several generations, cripple the municipality."²

It is interesting to note in passing that the doctrine that annexation or amalgamation proposals should be judged according to the presence or absence of substantial "compensating advantages" seemed to be accepted without question by these worthy civic officials twenty years before the same doctrine was urged upon the board on behalf of many of the respondents in the present hearing. It must also be pointed out that before the lengthy hearing of the present applications ended, it became evident to the board that many of the existing problems of the city and the suburbs alike must be attributed to the policy which the city followed for many years before and after the adoption of the 1931 report until it was suddenly and drastically reversed by the city council of 1950 in the passage of by-laws seeking amalgamation.

¹Exhibit 27.

²Exhibit 27, Page 12.

A distinguishing feature of the policy of the city during the period of expansion by means of successive annexations should also be mentioned. In nearly every case the areas added from time to time were fully built up and provided with municipal services of a kind before they were accepted by the city. Unfortunately many of the existing services were badly planned, inadequate and far below minimum city standards as a result of the attempts of the rural municipalities to provide services of an urban type without previous practical experience and with inadequate financial resources. The evidence clearly revealed the economic waste involved in the rehabilitation and reconstruction of such services, but it failed to disclose any reasonable explanation of the almost complete indifference of the city proper to the difficulties experienced by the suburban municipalities in attempting to provide services for the very substantial number of persons who were contributing to the prosperity of the city but were compelled to live outside its limits.

As the city approached its limit of population capacity and neglected to make any corresponding extension of its boundaries the need for better forms of municipal organization and administration in the surrounding communities soon found expression in the incorporation of new municipalities of an urban type. Whether they were called villages, towns or even townships, they had a common characteristic. Their residents for the most part were Toronto people who chose or were forced to live outside the city limits although economically and socially they were members of the metropolitan community.

All of the present suburbs were formerly parts of the three large townships of Scarborough, York and Etobicoke. Prior to the first great war only the town of Leaside and the three villages of Weston, Mimico and New Toronto were separate municipalities and Leaside was then held in an undeveloped state by the owners of the land. Weston became a town in 1915 followed by Mimico and New Toronto in 1919. In 1923 the large township of North York was formed for the purposes of dividing the northern rural section of York Township from the southern urban communities, and in the following year both East York and Forest Hill were created from parts of the southern portion of York. Two years later in 1926 another small and isolated section of York Township became the present Village of Swansea and finally in 1931 part of

the south-western portion of Etobicoke became the Village of Long Branch. As a result Scarborough is the only township which has so far retained its original form and area. The boundaries assigned to these units undoubtedly corresponded to recognized divisions of interest or physical barriers which existed when they were created and as a result there is now a great variation in local acreage. The smallest is Mimico with 500 acres, although its population is more than 11,000. Then follow Weston, Swansea and Long Branch with less than 800 acres each. East York and York contain only 3,647 and 5,050 acres respectively and the 16,000 residents of Forest Hill occupy less than 1,000 acres of land. The Township of Etobicoke extends over some 27,000 acres and the large townships of North York and Scarborough have each about 45,000 acres. No important changes in the original boundaries of these municipalities have been made by subsequent annexations and there are now no open spaces and few substantial physical barriers separating them from their neighbours.

Each of the respondent municipalities presented to the board an interesting and impressive record of its growth and development as a separate municipality during the twenty year period which followed the historic decision of the city to give no consideration to further annexations. As the character of the communities gradually changed and the influx of new residents continued, more and more services of an urban type were demanded and comparatively simple forms of municipal administration became inadequate. When existing legislation failed to meet the special needs of the suburban areas, additional powers were granted from time to time in public and private acts of the legislature. In the larger municipalities the basic conflict of interest between the rural and suburban sections of the population mounted with the increase in taxation required to provide schools, sewers, watermains, health, police, fire, waste disposal and other services required by the new suburban population. One result was the invention of a system of special area charges by which the cost of such services could be charged only to the areas served, and although this arrangement increased administrative costs and required the preparation of extremely complicated tax bills,¹ it became increasingly popular. Nevertheless, rising costs and heavy capital expenditures for schools

¹Exhibit 206.

and essential services resulted in higher and higher tax levels and tended to produce friction between various segments of the population. On the whole, the board feels justified in finding that the suburbs generally have reason to be proud of the record of their local governments in dealing with the host of problems forced upon them by the tremendous increase in population within a very short period of time. Many of them were fortunate in securing the services of a succession of elected and appointed officials who provided sound leadership and displayed an admirable capacity to harmonize conflicting local interests and an intelligent understanding of the affairs and problems of their local communities.

The applicants did not attempt to prove that the independent local governments were either inefficient or extravagant in the management of their own affairs, or generally speaking, that they had failed to provide the utmost in municipal service available having regard to local differences in needs, demands and taxable resources. It seems significant to the board also that although ample opportunity was provided before the conclusion of the hearing, none of the numerous ratepayer's associations in the various suburban municipalities presented any serious criticism of the administration of their affairs by the local authorities and officials. On the other hand, nearly all the subjects of complaint were related to circumstances quite beyond the control of the local councils and could not be blamed upon their policies or methods of administration. Many serious variations in the resources available to the local administrations were well established in the evidence. One result of the geographical division of the available territory is that, of the twelve suburbs, only seven have direct physical access to Lake Ontario and two of these, Swansea and Etobicoke, are almost entirely cut off from the lake for all practical purposes. The great importance of the lake as the ultimate source of an adequate water supply for the entire area, and at the same time, with the rivers flowing into it, the only final outlet for sanitary and storm drainage, is self-evident. The municipalities which are deprived of this natural asset are immediately placed at a serious disadvantage in the provision of the two most essential services required for urban development. Similarly the location of the various municipalities with respect to main railway and highway facilities, recreational areas, and rivers,

streams and other topographical features has greatly influenced the extent and the nature of their development.

In addition to physical handicaps many of the suburbs have from the beginning laboured under the disadvantages of an inadequate and inequitable distribution of existing or potential taxable resources. In common with all Ontario municipalities their ability to finance the services required by their residents without excessive taxation depends upon the value of the lands and buildings within their limits. Notwithstanding the great assistance provided by the province in ever increasing amounts in recent years their chief source of revenue is still the taxation of real estate, and tax levels will be determined mainly by the taxable value of lands within the municipality, the size of the population to be served and the cost of the services to be provided. The evidence as to these three major factors affecting taxation in the various municipalities was certainly extensive but it was not entirely satisfactory for the reason that of the three, only the facts relating to comparative population could be definitely ascertained. No single method of assessing the taxable value of the property within the thirteen municipalities is followed by any two of them and although several efforts were made to indicate the distribution of assessable property on an equalized basis¹ the board was forced to conclude that an accurate comparison of the taxable resources of the thirteen municipalities could not be obtained in the absence of an actual reassessment on a uniform basis.

After careful examination of the statistics and studies offered with respect to assessment, the board has decided that at least two general conclusions may be reached. In the first place it has been considered important by the board that, in general, the assessable value of taxable property in the suburbs measured in constant dollars has failed to keep pace with the growth of population. During the period from 1941 to 1948, inclusive, the average per capita assessment of the city and the twelve suburbs declined from \$1,194 to \$1,149 although the per capita assessment in the city proper showed a slight increase. But during this same period the value of the dollar declined more than forty per cent according to the cost-of-living index² published by the Dominion Bureau of Statistics.³ One of the last exhibits filed⁴ indicated that between

¹Exhibits 286, 287, 300, 301, 304.

²Exhibit 79.

³Annual Report of Municipal Statistics, 1949, Graph 2; Exhibit 5, page 57.

⁴Exhibit 304.

1944 and 1949 the per capita local assessment of seven of the suburbs, including the three rapidly growing municipalities of Etobicoke, North York and Scarborough, declined notwithstanding the very substantial reduction in the purchasing power of the dollar. This exhibit showed that during the same five years per capita assessment in the city increased more than 45 per cent, but it was frankly conceded that most of this increase should be attributed to the reassessment of city properties which was reflected for the first time in the 1949 roll.

In the second place the evidence clearly disclosed very substantial variations in the position of the several municipalities with respect to the classification of their assessments. The importance of obtaining the highest possible amount of "non-residential" assessment to ease the burden of taxation on the owners of homes and residential units was acknowledged by the representatives of nearly all the municipalities throughout the hearing and a number of important exhibits¹ showed a very considerable degree of variation in the relative positions of the thirteen municipalities in this respect. One exhibit filed by the city was an analysis of the 1950 local assessment of each municipality prepared for the information of the Toronto Area Committee indicating that only the city, (42.6%), New Toronto (34.5%), and Leaside (49.4%) had less than fifty percent of their total assessment in the residential classification while in the others the amount varied from 61.3% in the case of Long Branch to 91.6% in the Village of Forest Hill.

As to the nature and cost of the services provided by the local government the board found it quite impossible to make valid comparisons of the position of the various municipalities. Many of the respondents attempted to show that they were providing services comparable to those given in the city at a much lower unit cost, but no accurate measure of the amount of service actually provided or of the uncontrollable conditions affecting the cost of providing identical service seemed to be available. The board has been able to decide at least that in all thirteen municipalities the cost of providing municipal services even when measured in constant dollars has been increasing in recent years much more rapidly than the increase in population. Whether

¹Exhibits 6, page 174; 25-J and 81.

this represents the steadily increasing cost of maintaining existing standards of service or an attempt to satisfy the demand for new services and higher standards of service cannot be determined on the evidence submitted. From a number of the exhibits showing the trend from 1944 to 1949 supplemented by the official municipal statistics in the two years following the opening of the public hearing, the board has prepared the following table showing the relative rates of increase in population, general tax levies and school tax levies in each of the thirteen municipalities.

TORONTO AND SUBURBS

PERCENTAGE RATES OF INCREASE IN POPULATION, TAXATION AND
SCHOOL TAXATION—1944, 1949, 1951

	Population		General Taxation		School Taxation	
	% 1944-1949	% 1944-1951	% 1944-1949	% 1944-1951	% 1944-1949	% 1944-1951
York.....	16.20	20.58	56.52	121.59	42.03	148.67
North York.....	86.62	229.3	133.61	417.09	280.5	966.51
East York.....	33.48	46.99	53.39	123.1	35.3	131.47
Scarborough.....	68.36	129.41	116.80	219.8	120.24	213.26
Etobicoke.....	78.75	159.06	110.49	274.21	105.67	383.25
Forest Hill.....	18.49	21.46	56.30	81.92	106.15	164.71
Leaside.....	78.16	88.73	134.80	218.56	180.37	332.69
Mimico.....	22.84	37.71	31.85	85.12	7.33	42.04
New Toronto.....	48.66	54.16	39.62	113.36	39.35	188.91
Long Branch.....	47.72	64.28	64.54	142.72	28.49	98.56
Weston.....	21.19	27.71	56.12	147.94	32.44	94.48
Swansea.....	9.59	13.64	18.28	31.6	45.56	100.72
All Suburbs.....	40.36	72.65	74.69	171.83	82.29	228.17
Toronto.....	.56	3.45	35.61	78.6	17.94	60.06
Toronto and Suburbs	10.41	16.94	43.73	97.98	29.59	94.71

The above tables are based on the amounts actually levied in dollars. During the period between 1944 and 1949 the purchasing power of the dollar, as indicated by the Cost-of-Living Index, declined nearly forty percent and between 1944 and 1951 about sixty-five percent.¹ It will be seen that, in terms of constant dollars, taxation in both the city and the suburbs was not seriously increased in the first five years of the seven year period. In the succeeding two years, however, the rate of increase particularly in the suburbs cannot be accounted for by either the decline of the dollar or the increase in population. It will also be remembered that during 1950 and 1951 few of the suburbs except North York, Scarborough and Etobicoke had any substantial increase in population, yet, during those two years, except in Leaside and Forest Hill, tax levies increased more than they had in the previous

¹Annual Report of Municipal Statistics 1951, Graph 7.

five years. It seems reasonable to conclude that on the whole the serious tax increases experienced by the suburbs have shown no signs of levelling off after the municipalities have obtained their maximum growth, and that this trend cannot be attributed to the declining value of the dollar and must be due to the provision of new services or higher and more costly standards of service.

With the rapid growth of the separate municipalities their relationships with their neighbours naturally became more and more important and an increasing number of inter-municipal arrangements for the supply of services or the construction of specific public works became necessary. It was shown that between 1915 and 1950 no less than one hundred and sixty-three agreements¹ of various kinds were made between two or more municipalities. Under some of these agreements the city undertook to supply such services as water or sewage and drainage outlets for entire municipalities such as Leaside and Forest Hill, or for carefully defined areas or even a single property. Other agreements provided for the construction of costly bridges and viaducts, which in some cases were erected entirely beyond the city limits, and watermains running through portions of adjoining municipalities which were needed to serve distant sections of the city. Important agreements were made by the Toronto Transportation Commission with various suburbs for the provision of public transportation beyond the city at the risk of the contracting municipality. These agreements, although very numerous in view of the number of municipalities concerned, did not represent any real change in the spirit of jealous independence which unfortunately seems to have been the traditional attitude of both the city and the suburbs throughout. They were in every respect similar to agreements of the same kind ordinarily made between adjoining municipalities. They were strictly limited as to scope and each contracting party was careful to see that the other gained no monetary advantage. To its credit the city seemed willing to permit connections to its sewer system and to supply water to its neighbours up to the limit of the capacity of its plants, although there were unfortunate misunderstandings and serious delays in nearly all cases, and an apparent inability to negotiate agreements calling for heavy capital expenditures in the extension of existing

¹Exhibit 65.

facilities. To the board these agreements are significant in showing the inter-dependence of many of the municipalities with respect to municipal services and the important advantages secured by some of the most fortunate suburbs, such as Forest Hill and Leaside, in securing from the city all their needs with respect to water supply and sewage disposal before the capacity of the city facilities had become exhausted.

Supplementing this branch of the evidence was an outline of the formal political association of the suburbs in the county system and their apparent willingness as parts of the county to continue to share with other municipalities the cost of building and maintaining county and suburban roads, maintaining neglected children, providing hospital care for indigent patients and the county's share of the cost of administration of justice. In another field the evidence relating to the formation of larger school areas and boards of education covering entire municipalities, or even groups of municipalities as in the case of the Toronto and Suburban Separate School Board¹ and the Lakeshore Board of Education, proved an increasing willingness to share resources and burdens on a wider basis. The construction and operation of a joint sewage disposal plant by Mimico and New Toronto² and the consolidation of the public health services by Leaside and East York³ are other illustrations of the same trend.

Many more specific references to the great volume of evidence placed before the board will be made from time to time throughout the decision and a number of conclusions based on evidence not referred to in the foregoing brief review will necessarily be included.

¹*The Toronto and Suburban Separate School Board Act, 1941.*

²By agreement ratified by 6 Geo. V (1916) C. 80.

³By agreement in 1947 under *The Public Health Act*.

III. THE EXISTING SYSTEM OF LOCAL GOVERNMENT

The board having reviewed in summary fashion some of the more significant aspects of the position attained by the various municipalities under the existing system of local government, must now decide whether the applicant municipalities have sufficiently demonstrated the need for some serious reform. The organization of the several municipal governments in the Toronto area has been in substantial accordance with the provincial scheme of municipal organization which has been developed from principles laid down in the original Baldwin Act of 1849. Fundamentally the system has remained unaltered throughout a century of unparalleled development in the province and although changing conditions have required extensive modifications of and additions to the initial legislation, the people of Ontario have, generally speaking, been well served by their system of municipal institutions. Can this system be expected to provide solutions for all the difficult and complicated problems of local government in the Toronto region which has clearly become a modern metropolitan area?

In the consideration of this question the Board has no wish to minimize the substantial record of achievement of the several municipal governments under the present system. There can be no doubt that, on the whole, both the city and the suburbs have shown a commendable desire and ability to deal with their local government problems honestly and wisely and with a high degree of efficiency and economy having regard to the limitations imposed upon them by existing legislation and by other circumstances beyond their control. Nevertheless, the board finds upon the evidence that for many years basic weaknesses in the existing structure have been recognized and that these have become increasingly serious under the impact of the recent accelerated expansion of the entire area in the post war period. It is no longer a question of the city having long since outgrown its boun-

daries. The suburbs themselves have become thriving cities and have grown together to the extent that the most serious problems of all thirteen municipalities are now common problems and to a great extent they must now stand or fall together municipally and economically.

In the opinion of the board no system of local government organization which is based upon rigid territorial divisions of municipal jurisdiction and an equally rigid partition of physical and fiscal assets can be expected to provide for an area such as this the essential local services which must be the responsibility of municipal government. In an ordinary municipality the homes of the residents, the offices, shops and factories where they are employed and the commercial establishments serving them are all contained within a single taxing unit. Taxes from industrial and commercial properties are available to the same municipality which must provide essential services for the resident population. But in a metropolitan area modern methods of transportation, both public and private, together with a lack of space in the central city and a desire for better living conditions have resulted in a distribution of population completely unrelated to the distribution of the non-residential assessment which is essential to keep the cost of providing municipal services within reasonable limits.

This seems to be the essence of the problem of the suburbs but even in the central city metropolitan growth brings new and serious problems in spite of the greater and greater concentration of industrial and commercial establishments seeking locations within the central area and gradually crowding out its dwindling population. Great numbers of suburban commuters move in and out of the city daily increasing the strain on its inadequate street system, but the heavy cost of improving or widening streets in the closely built-up central areas must be assumed by city taxpayers alone. The city having no land can do little to assist in housing its dense population while the suburbs which have large tracts of undeveloped land find it difficult or impossible to finance the cost of schools and services which must be provided if new homes are to be built. Some of them, in an effort to protect their existing residents from excessive local taxation, actually discourage the construction of homes within the reach of low or moderate income families because the unit cost of providing municipal services so greatly exceeds

the tax revenue available from a low cost home and insufficient assistance is available from the taxation of non-residential property. Even more disturbing is the policy followed by some suburban councils in compelling subdividers and builders to install essential public services before they are permitted to sell building lots or to build houses so that high building costs and heavy down-payments are seriously increased and the ultimate purchaser must pay in cash for municipal assets ordinarily financed by the municipality by the issue of long term debentures. No one can condemn a municipality which finds it necessary to take drastic measures to protect its solvency, but the prosperity of the whole region is endangered if the municipal governments cannot co-operate with private enterprise in providing a decent standard of housing for all economic groups and especially for the workers required by the industries so eagerly sought by the municipalities themselves.

In addition to the serious implications of the present division of municipally profitable taxable resources, including the undesirable prospect of a continued segregation of "have" and "have not" municipalities in the metropolitan area, the existing territorial limits of municipal jurisdiction are responsible for the failure of the municipalities as a group to provide urgently needed new capital projects and services required to maintain the growth and prosperity of the whole area. The provision of a better system of arterial highways and adequate public transportation, the planning and construction of a co-ordinated system of water supply and sewage and drainage disposal, the construction for many years to come of schools and other public buildings in strategic locations and the provision of parks and recreational areas for a great new population, are all problems which, in the board's opinion, cannot be solved unless some centralization of authority and jurisdiction is obtained.

In the judgment of the board these problems cannot be solved by further reliance upon the process of voluntary inter-municipal co-operation with its apparently inevitable delays. Apart from the interminable controversies involved in that method, it would appear to be practically impossible to hope for the unanimous approval of thirteen sets of local governments when projects involving heavy capital expenditure, although located

within some of the municipalities, must be financed by combining the resources of all.

The board has therefore no hesitation in finding on the whole evidence that the applicants have clearly proved the need of some major reform of the existing form of local government in the Toronto metropolitan area and have thus been successful in the first branch of their case. Notwithstanding the independent achievements of the various municipalities and their local boards in the past, it is the opinion of the board that the present form of organization is inherently inadequate and out-moded as a means of providing local government services for a large metropolitan area under modern conditions. It is now necessary to consider the merits of the specific reforms proposed by the applicants.

IV. THE TORONTO PROPOSAL FOR AMALGAMATION

Prior to the opening of the public hearing counsel for the city filed with the board an admirable written summary of the case for amalgamation and the facts which he hoped to prove in support of the city's application. The central theme was the contention that the entire area had become a single community in every respect except its form of local government and that the existing division of jurisdiction was impeding or blocking its progress. He referred to the lack of adequate community planning on an area basis, the need for unified control of water supply, sewage and drainage disposal, public transportation and arterial highways, and the failure of the municipalities to agree upon such matters as parks and low cost housing projects. An additional series of submissions referred to the alleged advantages of unification of administrative and operating civic departments in the interests of efficiency and economy. The third and perhaps the most important part of the city's case as summarized in the submission and developed throughout the hearing involved the proposal for sharing of resources and all responsibilities by means of complete amalgamation. Reference was made to the fact that certain municipalities have a preponderance of industry while others have little or none and to the resulting variations in the burden of taxation falling upon the owners and occupants of homes and in the standards of education and other services supplied. The present and future financial problems of the area were referred to at length and it was contended on behalf of the city that "the financial fabric of the thirteen municipalities should be available for the provision of public services for the entire community."

In their formal submissions counsel for the respondents for the most part recognized the need for co-ordination of certain services but vigorously denied that it was necessary to abolish the local governments to obtain the benefit of co-ordinated action. They also doubted the alleged efficiency and economy of administrative centralization and attacked the proposal for an overall sharing of resources and responsibilities. Each respondent claimed that its

residents were satisfied with the prevailing standard of service or were in any event unwilling to pay higher taxes to secure higher standards, and local variations in service requirements were emphasized. Throughout the hearing the respondents made a concerted attempt to show errors, extravagance and inefficiency on the part of the city in handling its own problems and claimed that these alleged faults of the existing city government would spread throughout the area in the event of amalgamation. Moreover, all the respondents contended that amalgamation would result in increased overall taxation without any corresponding improvement in municipal service.

In the evidence given at the hearing and in the subsequent argument, the alleged advantages and disadvantages of amalgamation as a solution of the metropolitan problem were developed at great length. The board in this decision cannot attempt any lengthy review of its consideration of the facts and arguments relied upon by the contending parties. The board has attempted to study the whole question fairly and impartially in the light of the evidence and argument, and has reached certain general conclusions which will be stated as briefly as possible.

In the opinion of the board there are certainly many obvious advantages in a completely centralized and consolidated form of local government which would follow an outright amalgamation of the thirteen municipalities. The substitution of one municipal government for thirteen would remove all existing divisions of jurisdiction and would undoubtedly expedite the planning, construction or acquisition of adequate co-ordinated water supply and sewage disposal systems, urgently needed arterial highways, major parks and recreational areas, an extended public transportation system and other physical needs of the area. Similarly amalgamation would provide a drastic solution of all problems attributable to the existing inequitable and illogical distribution of taxable resources and would make such resources available to provide the service needs of the entire region. All borrowing powers would be concentrated in a single authority and capital expenditures could be planned and undertaken on a priority basis according to need and would be secured by the combined assets and tax paying powers of the entire area. There can be no doubt that a single government could provide the type of centralized control which is essential to the adoption and implementation of a sound program

of capital expenditure and the need for such a program in view of the important capital improvements required in almost every part of the area is self-evident. Again under a single government the development of the area could be directed and controlled by a single authority according to a sound comprehensive regional plan and conflicting official or unofficial local plans of development could be harmonized.

These outstanding and important advantages of the city's proposal were clearly established by the evidence and skilfully and ably developed in the supporting arguments of counsel for the applicants. Nevertheless, the board after giving the most earnest consideration to the whole evidence has come to the conclusion that there are a number of serious objections to the proposal for amalgamation which, in the humble opinion of the board, are sufficient to outweigh its manifest advantages as a possible solution of the local government problem in the Toronto area at this time.

In the first place the board has been forced to conclude that the issue of any order for the amalgamation of these thirteen municipalities comprising a very large and important city, four towns, three villages and five townships would result in immediate and prolonged administrative confusion of the most serious kind. Only those familiar with the great complexity of the administrative machinery developed by urban municipalities under modern conditions are in a position to appreciate the probable results of any attempt to compel the merger of the great variety of local services now provided by the city and its suburbs. Throughout the hearing, the board was impressed with the very considerable variation in administrative organizations and procedures in the various local governments. Departments having the same name perform different functions in different places. In the city, as might have been expected, divisions and subdivisions of departmental activity have apparently been carried to the extreme and the number of agencies and officials performing specialized functions is very large. In many of the suburbs procedures and methods of administrative accounting have been improvised and developed to meet local needs. In the field of education almost every type of school board permitted under existing legislation has been established and there are greatly varying degrees of centralization of authority and equally varied methods of adminis-

tration. Undoubtedly this complex organization could in time be re-organized and adapted to serve the purposes of a vast consolidated city government, but, in the opinion of the board, the process of adjustment would be immensely complicated by sectional differences, ignorance of local conditions and a great number of difficult personnel problems which would prolong the period of adjustment almost indefinitely. In the meantime administrative conditions could easily become chaotic.

In the second place, in the opinion of the board, the immediate creation of a single municipal government would result in a substantial increase of taxation due to the practical necessity of bringing all suburban wage and salary scales and working conditions up to city levels, which in most cases are higher than in the suburbs. In addition, residents of various parts of the metropolitan area would be inclined to insist upon being provided services equivalent to those enjoyed in other areas and a single municipal council or board of education would find it difficult, if not impossible, to resist the pressure of these demands. In the light of the evidence and statistical information available the board is also inclined to agree with the contention of the respondents that in the larger municipalities with complex administrative problems costs tend to increase with the size of the municipality, chiefly because of the larger number of employees per unit of population; and that per capita costs in general tend to increase with the size of the municipality.¹ Moreover, the popular notion that a large city is able to pay more than a small one and to afford an almost endless list of desirable but unnecessary expenditures regardless of its true financial position cannot be ignored in any consideration of the probable cost of amalgamation.

A third and very serious objection to the scheme of local government proposed by the city is the proposed concentration of all municipal duties and responsibilities in a single all-powerful council which would be expected to deal wisely and adequately with both local and metropolitan problems. The board heard from many witnesses factual accounts of the actual operations of the local councils and it was impressed with the time expended in detailed consideration of a great variety of local problems and the nature and volume of the business transacted in numerous and

¹Exhibit 283, pages 11 and 12.

lengthy meetings of the councils and their various committees. In theory municipal councils may be said to be primarily policy forming bodies and the detailed administration of the affairs of the municipality according to the policies determined by the councils should be left to the operating departments and the appointed civic officials. In practice, however, as the evidence adduced before the board showed very clearly, a great amount of time is required for the consideration of long detailed committee reports, the hearing of individuals and delegations, and the discussion of a great variety of purely local problems and conditions. This type of local government involving direct and personal contacts between the electors and the elected representatives in regular or special meetings of the council or of its committees, and at ratepayer's meetings and by means of personal interviews or telephone messages, is considered to be the right and privilege of local taxpayers and the primary function of local councils and elected bodies. Even in the existing organization the political necessity of providing this kind of service all too often prevents adequate consideration of major matters of policy affecting the entire municipality. It is almost common knowledge that nearly all locally elected bodies, large or small, are compelled, with or without their consent, to operate in a similar manner. It seems to the board that under these circumstances it is unrealistic to expect that any single municipal council can be expected to undertake the burdens and responsibilities of the existing local governments in this area and, at the same time, to give sufficient consideration to the many difficult problems confronting the metropolitan area as a whole and to provide the kind of leadership it requires. The proposal of the city assumes that a single city council can cope with all the local, sectional and regional problems of the present local governments in an area of more than two hundred and forty square miles with a present population of well over a million persons. The board cannot accept this fundamental assumption. On the contrary, it is convinced that one essential of a sound metropolitan government for the Toronto area must be the separation of local and metropolitan municipal functions and duties.

A fourth serious objection to the city's proposal has been the subject of anxious consideration by the board throughout the hearing. Briefly stated, the board has entertained grave doubt whether the need for reform of local government in this area

justifies and requires the complete dissolution of the existing municipal institutions and the creation of a form of government which appears to be bitterly opposed by eleven of the thirteen local municipalities concerned. The applicants attempted to persuade the board that the respondents' opposition to the proposal for outright amalgamation was more formal than real and that it did not represent the views of the great majority of ratepayers now residing in the suburbs. The board considers it extremely significant that this contention was not supported by formal or informal submissions which would justify a finding that the objecting municipal councils did not substantially represent the views of their ratepayers. Nor can the board in any way agree with the somewhat cynical view that the appointed and elected officials of the local municipalities who, notwithstanding widely publicized contrary opinions, appeared before the board to explain carefully and intelligently their views on this very controversial issue, and voluntarily submitted themselves to vigorous cross-examination, were, after all, merely protecting their own positions.

The board heard the evidence and observed the demeanour of a succession of apparently competent and intelligent local municipal leaders and officials and it is convinced on the whole evidence that they were all genuinely alarmed at the prospect of the complete dissolution of a form of government which, whatever its deficiencies with respect to the needs of the larger area, was in their view serving an important and useful purpose in providing the kind of local government needed and desired by the local communities. In brief, they could not bring themselves to believe that the form of metropolitan government desired by the city could be properly called a local government. To them the complete loss of their local autonomy meant domination by the central city through its concentrated voting power regardless of any system of representation by population or any proposed division of the proposed new city into wards. On the whole, the board must agree with the main contention of the respondents that although the type of government proposed by the city might be strong, efficient and well organized, it would not be a local government.

The board fully appreciates that any major proposal for alteration of local municipal boundaries brings a strong emotional

reaction and an illogical resistance to change in any form. It has not hesitated in the past to exercise the very wide discretionary powers entrusted to it by the legislature and to order substantial annexations in the best interests of the great majority of persons concerned, notwithstanding the objections of a minority. In the present case the board is charged with the grave responsibility of determining whether the city's proposal is the only acceptable solution of the local government problem in this area, and that it must therefore be forced upon the unwilling local municipalities. The practical and technical advantages of complete consolidation must be frankly admitted. They are comparable with similar advantages in a completely centralized totalitarian form of national government. Local government in a democracy, however, at least to the great majority of Ontario people, means a government which is very close to the local residents and is carried on by duly elected local leaders who offer their services from time to time in the interests of their local community and who learn at the same time something of the duties and responsibilities of public office. The applicants have failed to convince the board that this traditional method of handling local affairs has no place in an acceptable plan for a better form of metropolitan government in the Toronto area, and that outright amalgamation is the only answer. The city's application must therefore be dismissed.

V. THE APPLICATION OF THE TOWN OF MIMICO

The form of metropolitan organization proposed in the Mimico application is in direct contrast to the single centralized city government requested by Toronto. It is based upon a plan provided for in Section 22 of The Municipal Act (first enacted in 1946). The first subsection is in the following words:

“22.—(1) Upon the application of a municipality as defined in *The Department of Municipal Affairs Act* for the creation of an area consisting of the applicant municipality or a part thereof and one or more other municipalities or parts thereof for the joint administration therein of education, fire and police protection, planning, highways, sewers, sewage disposal, garbage disposal, public health including hospitals and hospitalization, welfare including unemployment relief, parks or any public utility as defined by *The Department of Municipal Affairs Act*, the Municipal Board may by order on such terms as it deems expedient create such area or a greater or smaller area for any or all of such purposes.”

Pursuant to this legislation the town council, by a by-law passed on February 4, 1947, authorized an application for an order—

“for the creation of an area for the joint administration therein of education, fire and police protection, administration of justice, health and welfare, planning, sewage disposal and public utilities including transportation and main highways.”

The by-law proposes that the area of joint administration should include the city, New Toronto, Mimico, Long Branch, Weston, Swansea, Forest Hill, Leaside, York and East York in their entirety, and “the urban sections” of Etobicoke, North York and Scarborough. The portions of the three last mentioned townships to be included in the area are not described in the by-law and it must therefore be assumed that the town expects the board to define the limits of the “urban sections” in any order

to be issued as a result of the application. The question whether the board has jurisdiction to supplement an application by the addition of detailed descriptions not included in the authorizing by-law was not discussed by counsel on the hearing. It should also be pointed out that although the board clearly has jurisdiction under the legislation to create an area for any or all of the purposes set out in the section there does not appear to be any power to include "administration of justice" as requested by Mimico, and it may be doubted whether there is any power to confine the joint management of highways to "main" highways only.

Notwithstanding these technical objections the proposal must be carefully examined on its merits as a possible approach to the problem of providing a better form of local government in the Toronto area. The question to be decided, in the light of the evidence and the enabling legislation, is whether this scheme of metropolitan government can be expected to meet the needs of the thirteen municipalities as an alternative to the proposal for outright amalgamation made by Toronto. What, then, are the most important advantages and disadvantages of the Mimico proposal?

At the outset it seems clear that the joint management plan would meet most of the objections to amalgamation which were based upon the proposed dissolution of the existing municipalities and their local boards. It assumes the continued existence of the local units and the full exercise of their present powers with respect of all matters except those which are to be jointly administered. In direct contrast to the concentration in a single elected authority of all municipal powers with respect to both local and metropolitan affairs, the legislation definitely accepts the principle that there should be a separation of the powers and duties which are deemed to be the concern of the area as a whole from the purely local responsibilities left with the existing councils. This intended separation is apparent upon an examination of the list of the specific services which may be jointly administered, and a review of the legislative provisions for the composition of the Board of Management and for its direct election by the electors of the various municipalities. The members of the board are not intended to be the indirectly elected delegates of their local municipalities as are the reeves and deputy reeves in a county council. The municipal board is required to divide the entire

area into wards and for each ward one member is elected for a two-year term.¹ Nominations and elections are to be conducted in the various municipalities at the same time and in the same manner as the ordinary municipal elections. Each candidate must be a resident of the ward for which he is nominated and must be qualified to vote at municipal elections therein.² The members elect from among themselves a chairman who is to have all the powers and duties of the head of a municipal council.³

The Board of Management is a statutory corporation,⁴ with all the powers of a municipal council “for the administration and management of the purposes for which the area was created.”⁵ In addition, the Board of Management may be made a local board for such purposes as are designated by the municipal board but it may not act as a school board, library board, police commission, planning board, board of health or health unit. Apparently the municipal board has wide powers to dissolve existing local boards of these types and to substitute for them similar boards having jurisdiction over the entire area.⁶

The legislation thus attempts to provide for the creation of a new elected authority with important powers and duties in the designated area over and above those of the existing local governments. The powers of the local councils are accordingly reduced and none of the powers granted to the board of joint management may be exercised by the council of the county in which the area is situated. Nevertheless it appears that complete separation from the county is not contemplated in the legislation for it is clear that some of the functions now performed by the county on behalf of its constituent municipalities, including the administration of justice, the provision of homes for the aged and the support of neglected children, are not included in the list of purposes for which an area of joint management can be created. Although the intended relationships of the new authority to existing municipal and educational institutions are not too clear it seems to this board that the proposal to retain local councils for local purposes must

¹Subsections 7, 13.

²Subsection 17.

³Subsection 25.

⁴Subsection 9.

⁵Subsection 29.

⁶Subsections 6 (b), 31.

be acknowledged to be a definite advantage of the plan now under consideration.

In the second place the board feels that the joint management plan might be reasonably expected to remove most, if not all, of the difficulties which are the result of the present division of jurisdiction between the thirteen independent municipalities with respect to the administration of the important group of services named in the application. In the evidence and argument adduced on behalf of the city in support of the amalgamation proposal, the advantages of unified control of a number of the municipal services required by the residents of the metropolitan area were emphasized. In the opinion of the board, this part of the city's case was fairly well established, at least with respect to such essential physical services as the public water supply, adequate sewage and drainage disposal, the protection of persons and property and the public health, the provision of metropolitan main highway and public transportation facilities and some overall metropolitan planning and land use control. Most of the respondent municipalities did not seriously dispute the need for co-ordination of many of the services included in this list. They have objected only to the proposed method. The board has, therefore, in an earlier part of this decision definitely included this advantage in the list of benefits which would result from amalgamation. Theoretically it would appear that the same sort of benefit would be obtainable under the Mimico plan as a direct result of the substitution of a single central authority, for thirteen or more sets of local authorities now exercising jurisdiction over such services.

The most constructive feature of the Mimico proposal is the principle that the burden of supplying certain essential urban services should be borne by the entire metropolitan area so that its combined resources would become available to provide such services where they are needed regardless of the present or future distribution of taxable property. The board has no doubt whatever that acceptance of this principle must be the foundation of any sound reorganization of the local government structure in the Toronto metropolitan area. It has already indicated its approval of this aspect of the proposal for amalgamation, although it has been unable to accept the Toronto thesis that the whole cost of all existing and future municipal services should be levied over the entire area. It is, however, convinced that at least some of the

services referred to in the Mimico application should be provided by some central authority and should be financed by taxation of all available taxable property in the metropolitan area regardless of its local distribution. It follows that the rather limited acceptance of this principle in the legislation invoked by the Mimico application must be deemed a desirable and advantageous part of the plan.

Turning now to the disadvantages of the joint management scheme proposed by Mimico, the board is compelled to resort to a more detailed analysis of the legislation in the absence of any guidance from the results of actual experience. The legislation has been in force for more than five years but, so far as the board is aware, it has been invoked only once, when the Town of Burlington in 1947 applied for and obtained an order for the creation of an area, including the town and part of the adjoining Township of Nelson, for the joint management of a public water system. The board does not have available sufficient information to describe or evaluate in detail the results of that interesting experiment which was limited to the operation of a single self-supporting utility. Nevertheless, basic defects in the legislation were clearly indicated.

The most serious objection to the joint management plan outlined in Section 22 is found in the first subsection quoted above, which refers only to the joint *administration* of certain specified services, and is apparently limited to facilities and services existing on the date of the creation of the area. The Board of Management, although it is to be an elected body with power to impose levies for its purposes similar to that possessed by a county, can only "administer". It is given no power to plan or construct extensions or improvements of existing services or to build new schools, public works and other projects which might be needed throughout the area. It would therefore be quite powerless to provide the most urgent requirements of the metropolitan area during the present period of rapid expansion. The board has examined every part of the section with great care in order to determine whether the legislature actually intended to give the Board of Management any power to undertake capital works to be financed by debenture issues comparable to the power possessed by all municipalities in Ontario. This important power and many others such as the right to expropriate and hold land for its pur-

poses and to assume existing liabilities are not mentioned. Although the members of the Board of Management become a corporate body, the area of joint management is made a local municipality only "for the purposes for which the area was created", and by the terms of subsection 1, that purpose must be joint administration only. Again in subsection 29 it is specified that the Board of Management shall be a municipal council "for the administration and management of the purposes for which the area was created." In the opinion of the board, the intention of the legislature, which must here be determined solely from the language used in the section, was to provide merely for the administration and management of existing facilities and to leave with the local councils and school boards the responsibility for the provision of any new or extended facilities, either independently or by some voluntary co-operative effort. If debenture financing is required, the by-laws must apparently be passed and the debentures issued by the existing municipalities. It is hardly necessary to say that in view of the need for new capital works and extensions in the Toronto metropolitan area the vague and limited powers given to a board of management under this legislation are entirely inadequate.

A number of other objections cannot be ignored. For example, the term of office of the elected members is limited to two years and the election must be by wards. It is at least doubtful whether either of these provisions can be expected to provide a satisfactory board of management in view of the special problems of a very large metropolitan area, the need for long range policies and the desirability of attracting intelligent, public-spirited candidates free from local affiliations and interested primarily in the problems of the entire area. It is also quite possible that the administration of some self-supporting utilities might well be committed to an appointed commission but no provision is made in the legislation by which the Board of Management can delegate any of its functions or duties. The board has not even been given the powers of an ordinary municipal council with respect to publicly owned utilities under The Public Utilities Act. Nothing is said as to the transfer of existing assets and works from local councils and school boards to the Board of Management or the assumption of outstanding funded or unfunded liabilities. The means by which the cost of providing the services under joint management is to be

apportioned among the existing municipalities is required to be an equalization of real property assessments similar to the process of county equalization, and it follows that all the inherent defects of that system are perpetuated, including the specific requirement that unequalized local business assessments must be included. As the municipalities are not separate from the county for all purposes, one curious result would be the use in the same municipality of two independent assessment equalizations made for different purposes with resulting confusion and possible injustice. The board on its part is convinced that no practical or equitable system of metropolitan government can be based upon the type of assessment equalization hitherto used as a means of financing the limited operations of the existing counties.

After weighing all the possible advantages and disadvantages of the Mimico proposal, the board has concluded that, on the whole, the application must be denied. In the opinion of the board, some of the basic concepts of this plan are sound and might well be incorporated into a scheme of metropolitan municipal government for the Toronto area which would secure many of the advantages of unification while avoiding the most serious objections to complete amalgamation. On the other hand, the underlying assumption that the metropolitan problem can be solved by a mere consolidation of existing administrative departments does not commend itself to the board as an adequate approach. The joint management plan provided for in this part of The Municipal Act might suffice if all the municipalities in the metropolitan area had achieved their full stature and had managed to provide themselves with reasonably complete facilities so that their most important remaining problems would be the organization of a more efficient and economical administrative system and a more equitable distribution of maintenance costs. But, the outstanding fact disclosed in the evidence is that the position of the Toronto metropolitan area is anything but static. On the contrary, it is clearly passing through a period of dynamic expansion. It must find some way to keep pace with that expansion and to reorganize its present form of local government so as to provide for essential new facilities. Reorganization for the purpose of making more efficient use of its existing plant, however desirable in itself, is not enough.

VI. THE RESPONSIBILITY OF THE BOARD

Having conducted a public hearing of the applications before it as required by the legislation,¹ and having decided, for the reasons set forth above, that neither of the orders applied for should be issued, the board considers it advisable to refer briefly to the exact position of the parties and the board in this proceeding. The unusual length of time required for the hearing, the extent and importance of the areas concerned and the nature of the remedies sought have tended to obscure both the nature of the proceedings and the position of the board. At one point in his argument counsel for the city referred to the failure of the respondents to suggest any alternative to the proposal of the city leaving the inference that this omission was significant evidence of the weakness of the case against amalgamation. On the other hand, counsel for the respondents contended that they were under no obligation to produce any positive solution of the problems of the area and that they were required only to meet the applicants' case. They pointed out that the legislation invoked by the applicants did not permit or require the board to conduct a general investigation of the affairs of the thirteen municipalities concerned, or to make general recommendations for the reform of the existing system of municipal government in the Toronto area. It is true that the written summary filed on behalf of the county and seven other respondents prior to the opening of the hearing contained a proposal for a "Metropolitan Area Board" to exercise jurisdiction over "essential services only", a plan which would require new legislation. The respondents proceeded throughout on the assumption that the board could not consider alternative proposals which were not authorized by the terms of the existing legislation and the board was forced to agree that their position was legally correct. Undoubtedly sections of the statute invoked by the applicants give to the board wide discretionary powers. It may make an order of any of the several types described "on such terms as it may deem expedient"² and it may even include "a greater or smaller area than the area specifically described in the

¹*The Municipal Act*, Secs. 20 (3), 22 (3).

²*The Municipal Act*, Secs. 20 (1), 22 (1).

application''.¹ It has a large number of ancillary powers with respect to the adjustment of assets and liabilities and other matters necessary or incidental to the carrying out of an order issued under either section.² It is evident, however, that all such powers are to be available only after it has been decided that an order for amalgamation or annexation, or for the creation of an area for joint administration should be granted. In another statute the board is given some general powers of inquiry into the financial or other affairs of municipalities,³ but that legislation has not been invoked in the present proceedings and could not be resorted to at this stage without causing serious delays. In considering the applications now before it the board has not been in the position of a commission of inquiry conducting an investigation with a view to the submission of a report or the making of recommendations. It has, on the contrary, acted solely as an administrative tribunal carrying out its statutory duty to hear and determine the specific applications of the city and Mimico. There appears to be no precedent or authority for the assumption by the board of advisory functions on its own motion, although it has occasionally included suggestions in its written reasons for granting or refusing an application. Such recommendations have heretofore been confined to matters which were clearly within the jurisdiction of the municipalities concerned and the board has always considered that it is not expected or required to submit opinions on questions of legislative policy which are the responsibility of the government of the province. There appears to be no room for doubt that in finally disposing of the present applications the board has completely fulfilled its statutory responsibilities.

There are, nevertheless, a number of unusual features of the existing situation which would seem to justify some further discussion of the problems of the Toronto metropolitan area and an attempt to indicate possible solutions. In the lengthy hearing of the applications and in its subsequent consideration of the great volume of evidence submitted, the board has been given an unique opportunity to review the actual operations of the existing form of municipal government and to decide whether it is capable of meeting the special needs of the metropolitan area. Apart from the information disclosed in this hearing, the board has necessarily

¹*The Municipal Act*, Secs. 20 (1), 22 (1).

²*The Municipal Act*, Secs. 20 (9) (11), 22 (6), (40).

³*The Ontario Municipal Board Act*, Sec. 56 (1) (i).

acquired some knowledge of the affairs and particularly the financial problems of the various municipalities in the exercise of its ordinary duties under various statutes. It has been impressed by the fact that the question of a suitable form of local government for the Toronto metropolitan area has been the subject of a number of official and unofficial investigations and reports for more than twenty-five years, and that although there has been a fairly wide recognition of the need, no constructive action has been taken. It is well known that the difficult problem of metropolitan government has been given intensive study in other jurisdictions and that in many large metropolitan areas various methods of securing better co-ordination in the provision of municipal services have been attempted. For the reasons which have been stated the board has not had the advantage of hearing any exposition or discussion of the types of metropolitan organization which have been adopted in other places and it has been unable to undertake any independent study or research in the limited time available. Forms of metropolitan organization in common with the more usual types of municipal government vary greatly in different jurisdictions and it seems reasonable to conclude that no theoretical solution has received general approval and that in most cases local circumstances and the pressure of immediate local problems have determined the selection of the particular expedient actually adopted.

While fully recognizing these limitations, the board feels that under the special circumstances it must assume the responsibility of presenting its own proposals for the organization of a suitable form of metropolitan government in the Toronto area. Although the present applicants have not been able to persuade the board that their particular proposals should be approved, they have clearly established the urgent need for some major reform of the existing system and the board has so found. In its consideration of the advantages and disadvantages of the plans presented, and in its appraisal of the objections submitted on the hearing, the board has naturally given a great deal of consideration to the possibility of working out a plan expressly designed to meet the most immediate needs of the area and to avoid the most serious obstacles in the path of progress. A number of alternatives have been carefully considered with the result that the board is now prepared to recommend without qualification the plan outlined in the concluding pages of this decision.

VII. FUNDAMENTAL PRINCIPLES OF THE PROPOSED SOLUTION

In the opinion of the board the basic problem to be solved in the Toronto metropolitan area is indicated in the significant contrast between the underlying social and economic unity of the area on the one hand, and the illogical and inequitable but extremely rigid divisions of political jurisdiction and available taxable resources on the other. These features of the existing situation in the Toronto area are undoubtedly the logical result of the concept of local government under which Ontario municipalities were originally organized more than one hundred years ago. Various types of municipalities intended to serve both rural and urban communities were authorized and important powers were delegated to democratically elected local councils including the power to raise by local taxation the revenues required to provide local services. The power to legislate, to provide services and to tax has throughout been confined to the persons and property located within definite territorial limits. The system was clearly, and undoubtedly wisely, designed to promote local interest and active local participation in municipal government and a practical knowledge and understanding of democratic principles, but in law the municipalities were and have been creatures of the legislature and they have always exercised delegated, and therefore revocable, powers. It is not surprising, however, that under this system both urban and rural municipalities have tended to become independent local units preoccupied with their local problems and dependent mainly upon their own resources. Although from the beginning the advantages of joint municipal action for certain limited purposes were recognized in the county system and in more recent years provision has been made for school sections and school areas extending beyond municipal boundaries and a few other inter-municipal special authorities, it can hardly be denied that the principle of local autonomy has been of the very essence of the Ontario municipal system. When local municipalities which have been permitted, and in fact encouraged to develop under this system, find that they have become integral parts of a modern

metropolitan area where social and economic forces beyond their control seriously affect both their development and the local resources available to finance new and pressing needs for municipal services, the traditional concept of local autonomy comes into direct conflict with an ever increasing need for collective municipal action in the interests of the entire area. The advocates of outright amalgamation, fully realizing the serious consequences of the rigid division of jurisdiction and resources in a metropolitan area, propose to eliminate such divisions completely and to pool all the resources of the component parts for all purposes financed wholly or in part by local taxation. It is noteworthy that this proposal is vigorously, even bitterly opposed by all of the respondents with the exception of Mimico, notwithstanding the fact that some of them are in a much less fortunate position than others from the point of view of their present or prospective ability to provide essential municipal services by purely local taxation. The board is convinced that this opposition is actually based on a conscious or unconscious conviction of the importance of preserving a place for real local government, and that few, if any, of the opponents of amalgamation are prepared to defend the present system as a suitable form of government in a metropolitan area.

The central question is whether the continued existence of local municipal governments, carrying out necessary and important functions of a local nature, is, after all, completely inconsistent with the concurrent existence of a senior metropolitan government equipped with adequate powers and resources to deal with area-wide problems. It is the opinion of the board that the most promising avenue of approach to a solution of this question is clearly indicated in the political history of our own nation, and that many of the fundamental principles so wisely applied in the federation of the British North American Provinces can be profitably adapted in the organization of a suitable form of local government in this area. The board cannot attempt any exposition of the political theory which found expression in the British North America Act of 1867, nor will it refer to the striking similarity between the position of the provinces prior to Confederation and that of the municipalities in the Toronto area eighty-five years later. It is sufficient to point out that in every true federation there is a recognition of the need for a dual system of government, an acceptance of the idea that the establishment of a strong central

authority is the best method of dealing with vital problems affecting the entire area, and a conviction that the retention of local governments for local purposes is not only desirable but necessary.

If the principle of federation is to be applied in the organization of a metropolitan government, it is immediately obvious that a sound answer must be found to the vital question of the division of powers between the local governments and the central authority and that a matter of almost equal importance is the constitution and organization of the central or metropolitan authority.

Before submitting its proposals with respect to the distribution of powers and responsibilities, the board feels that an explanation should be given of the general principles which have been followed in making a selection. In the first place, the board has carefully avoided any unnecessary reduction of the existing powers of the local authorities with the object of preserving the greatest possible degree of local autonomy. In the opinion of the board this is particularly important during the critical initial period of adjustment which is bound to follow the inauguration of the new system regardless of its merits. A practical consideration is the need to avoid drastic and sweeping changes in the existing administrative organization of the various municipalities. Important changes will certainly be required, but everything possible should be done to insure an orderly transition. The board has, for these reasons intentionally left with the local governments certain important matters which might quite logically be included within the sphere of operations of the central authority, and which may well be transferred to it at a later stage without serious objection. It is not by any means the view of the board that the central authority should eventually take over all of the important functions now performed by the local councils and their local boards. The board is convinced that the local governments will always have a vital role in the general scheme of metropolitan government. This should not prevent the gradual and orderly transfer to the central authority of certain additional powers which may now be described as desirable but not immediately essential. With respect to these, it is the opinion of the board that their transfer should await the gradual development of public opinion after the new system has been placed in operation. The board wishes to emphasize at this point the fact that one of the great virtues of any federal scheme is its flexibility and the comparative ease with

which it can be adapted to changed conditions and the realities of a particular situation. This is especially true in the case of municipalities created by the legislature and exercising delegated powers only. They are not in the position of sovereign states entering a federation on a contractual basis and the scheme of federation now proposed will not be comparable to a rigid written constitution to be amended only by mutual consent. Necessary changes can and will be made as the need arises by the act of the legislature which is at all times the only source of the powers which are being discussed. It should not be forgotten, moreover, that the great body of important and somewhat complicated legislation controlling the operation of Ontario municipalities has been the result of a long evolutionary process and most of the important changes have been made in response to the requests of the municipalities themselves.

While the board has thus recognized the continuing need for strong local governments, it has not hesitated to assign to the central authority definite responsibility for the functions and services considered vitally necessary to the continued growth and development of the entire area as an urban community. In particular it is considered essential that the central metropolitan government should have jurisdiction over certain physical and other services which must be provided at all costs in the housing of the present and future population ultimately responsible for the prosperity of the area. In the same class are the municipal services required to supplement the outstanding advantages of the area as a centre of industry and commerce. The board is convinced that the only way in which services of this type can be provided when and where they are needed is to place them under the jurisdiction of the central authority and to make the combined resources of the entire area available to finance them.

In its consideration of the problem of the distribution of authority, the board was soon faced with the problem whether the twelve suburbs could conceivably remain in the existing county organization and thus become, in effect, members of two distinct federations of municipalities at the same time. The administrative difficulties inherent in such an arrangement would be extremely serious. Moreover, the rapid urbanization of the twelve southern county municipalities and their close economic and social integration with the life of the central city has intensified a long standing

division of interest between the suburbs and the northern municipalities in the county. The board has therefore decided that the establishment of the proposed metropolitan government would require the separation from the county of the twelve suburbs for all municipal purposes. As a necessary consequence it is proposed to transfer to the central authority certain powers and functions now performed by the county on behalf of the suburbs.

Finally, it should be pointed out that in making its selection of powers to be given to the central authority, the board has attempted to exclude purely theoretical considerations and to confine its attention to the actual situation of the municipalities in the Toronto area as disclosed in the evidence, and the special problems which concern them and them alone at their present stage of development. It has framed its proposal without reference to any other plan which may be in actual operation elsewhere or to any previous proposal made for this area.

Having offered these preliminary explanations, the board will now describe in some detail the powers which in its opinion should be vested in the proposed central authority which, for the time being, will be called "The Metropolitan Council". In most cases the corresponding function to be retained by the local government or a local board will be indicated and reasons for including each specific proposal will be stated.

VIII. DISTRIBUTION OF POWERS— SPECIFIC PROPOSALS

1. WATER SUPPLY AND DISTRIBUTION

- (a) The Metropolitan Council should be given the exclusive responsibility for the supply and wholesale distribution of water throughout the entire area as a metropolitan public utility.
- (b) The Metropolitan Council should be authorized and required to take over all existing plants and facilities for the wholesale supply and distribution of water, to plan, finance, construct and operate all necessary additions and extensions, except local service mains, and to assume all outstanding water works debts, including outstanding debentures representing the corporation's but not the owners' share of the cost of watermains or extensions constructed as local improvements.
- (c) The Metropolitan Council should be given power to fix the wholesale rates to be charged for the sale of water to the local municipalities and to have power to charge varying rates if considered necessary or desirable in accordance with variations in the cost of distribution to different sections of the area. The wholesale rate structure of the Metropolitan Council should be designed to provide sufficient revenue to cover all capital and maintenance charges, and all necessary and reasonable reserves for depreciation, extensions and renewals according to well recognized principles applicable to publicly owned utilities. Surplus profits not required for such purposes should be used for the prepayment of outstanding water works debts and if not so required, or if outstanding debentures are not redeemable, should be applied in the reduction or rebate of rates and not for the pur-

pose of reducing metropolitan taxation. In this respect the financial policies applied by the Hydro Electric Power Commission might well be followed.

- (d) Unless and until the Metropolitan Council assumes responsibility for the provision of fire protection throughout the area, it should also have power to charge local municipalities either by way of a mill rate, hydrant rental or otherwise for the cost of supplying water for local fire protection.
- (e) The Metropolitan Council should be given power in its discretion to add to the water rates charged, special sewer rates and sewer service rates with respect to sewage works operated by the Metropolitan Council which in its judgment are deemed to provide special benefits for any particular portion of the metropolitan area, in accordance with the principle of Section 389 of the Municipal Act.
- (f) The Metropolitan Council should be made responsible for the maintenance of all water works and major distribution mains under its jurisdiction, and should also be enabled to control the construction and design of local extensions and to enforce uniform minimum standards with respect to the maintenance and repair of local facilities.
- (g) The local councils would retain all their present powers to construct local distribution mains and connections under the Local Improvement Act or otherwise, including existing powers to create water areas and to assess part of the cost of mains against rateable property therein, but the exercise of these local powers should be subject to the approval of the Metropolitan Council.
- (h) Local authorities would also continue to exercise their present powers to operate their local distribution systems and to fix and collect their own retail water rates.

COMMENT:

In the opinion of the board there are many sound reasons for the transfer to the Metropolitan Council of exclusive jurisdiction and responsibility for the retail distribution of water as well as the provision of a wholesale supply. In view of the fact that many of the constituent municipalities have been able to operate their retail distribution systems at a profit and have adopted the policy of applying these profits in reduction of general municipal taxation, the board is content to recommend that serious consideration be given to the question whether the retail distribution systems should be placed under the jurisdiction of the Metropolitan Council. Although this change is considered desirable, it is not deemed absolutely essential to the success of the plan.

In the same class is the proposal that the Metropolitan Council should have power to delegate its powers and duties with respect to water to a metropolitan utilities commission which would have the status and powers of a commission established under the Public Utilities Act.¹ In the opinion of the board such a commission should be an appointed and not an elected body, and the by-law of the Metropolitan Council authorizing its establishment, in lieu of the approval of the electors, should be approved by the councils of the city and at least six other local councils. In the opinion of the board, operation of the water utility by a commission would be particularly advantageous in a metropolitan area. It is not, however, an essential part of the plan, particularly in the initial period.

It will be noted that in the above specific proposals the board has accepted the most important constructive suggestions in the very able and comprehensive report made by Messrs. Gore and Storrie, Consulting Engineers, on September 15, 1949.² There can be no question that the provision of an adequate supply of pure water for the entire metropolitan area and the co-ordination and control of existing and future facilities required should be under the control of a single authority in order to secure maximum efficiency and economy. The board's proposals with respect to necessary financial powers, arrangements and adjustments will be consolidated under a separate heading following the enumeration of proposed powers.

¹R.S.O. 1950, Chap. 320.

²Exhibit 7.

2. SEWAGE AND DRAINAGE

- (a) The Metropolitan Council should be given exclusive jurisdiction over all sewage disposal plants and all major sanitary and storm trunk sewers and drainage outlets and should be authorized to take over, operate or extend all existing facilities which it designates as metropolitan sewage or drainage works.
- (b) The Metropolitan Council should be given sole responsibility for the planning, financing, construction, operation and maintenance of all future works required for the metropolitan sewage and drainage scheme.
- (c) The Metropolitan Council should be given power in its discretion, but subject to the approval of the Ontario Municipal Board, to levy and collect from any specified portion of the metropolitan area, all or part of the cost of construction or operation of a sewage or drainage work deemed to provide special benefits to the specified area in accordance with the principle of Section 389 of the Municipal Act. Power to include such special rates in the wholesale water rate structure should be provided.
- (d) Local councils would continue to exercise their existing powers to construct and maintain local collection and service sewers under the Local Improvement Act or otherwise, including any existing powers to create special sewer areas and to assess part of the cost of sewers or drains against rateable property therein, but the exercise of the latter power should be subject to the approval of the Metropolitan Council.
- (e) To insure co-ordination with the metropolitan system the location, construction and design of proposed local sewage or drainage works should be subject to the approval of the Metropolitan Council, and no connection to a metropolitan trunk sewer or drain should be permitted without its consent. It should

also have adequate power to enforce uniform minimum standards of maintenance and repair of local facilities.

- (f) In the event that a local council considers itself aggrieved by the refusal of the Metropolitan Council to assume responsibility for an existing or proposed project or to approve a proposed local work, it should have a right of appeal to the Ontario Municipal Board.
- (g) The Metropolitan Council should assume all outstanding debenture debt with respect to the designated sewage and drainage works which it takes over, and should also assume outstanding debentures representing the corporation's but not the owners' share of the cost of local sewers or drains constructed as local improvements.

COMMENT:

Throughout the hearing the board has been impressed with the urgent need for a comprehensive sewage disposal and drainage scheme for the entire metropolitan area. It has also been convinced that the major facilities required will not be provided by the individual efforts of the separate municipalities or by reliance upon the process of mutual assistance and co-operation. The establishment of "a co-ordinating and financial authority to exercise a unified control over all matters relating to water supply, sewage disposal and storm water drainage" was a major recommendation in the Gore and Storrie report previously referred to.¹

As some existing plants and major works may not be suitable for inclusion as parts of a metropolitan scheme and some have been constructed under special financial arrangements, it is considered necessary to give the Metropolitan Council a discretionary power in the designation and assumption of works considered metropolitan in character.

A special right of appeal is provided in cases of dispute between a local council and the Metropolitan Council with respect to any refusal to assume a sewage or drainage work or to approve a

¹Exhibit 7, pages 16, 17, 22.

proposed local work or connection. The proposal that the approval of the Ontario Municipal Board must be obtained in respect of proposed special sewer rates on limited areas is consistent with existing legislation applicable to local municipalities.

3. EDUCATION:

The evidence presented to the board made it very clear that the solution of this extremely important and difficult problem is vital to the success of any reform of municipal institutions in the metropolitan area. Unless some means can be found to provide the school accommodation needed by the rapidly expanding population and to pay the ever increasing costs of operation of the present schools and the badly needed new facilities, the problem of housing the inhabitants of the metropolitan area cannot be solved. In the view of the board the magnitude and urgency of this problem justifies the use of all local financial resources of the area, regardless of their distribution among the existing local municipalities, to provide adequate school accommodation and to give substantial assistance to the education of public and secondary school pupils living in any part of the area. The board's proposals are the result of long and very careful consideration and in this particular case require some detailed explanation. The fundamental problem is to find an equitable method of financing capital and maintenance costs, and the recommendations of the board are therefore set forth under two main heads. The schools referred to throughout are public elementary and secondary schools including both academic and vocational secondary schools.

A. CAPITAL COSTS

The Metropolitan Council should be authorized and required:

- (a) **To finance all capital expenditures for school sites, school buildings and equipment up to but not exceeding an adequate standard of accommodation as determined from time to time by the Metropolitan Council, and for such purpose to impose upon all the local municipalities metropolitan school taxes on a common basis based on a uniform assessment of all property within the metropolitan area rateable for public or secondary school purposes.**

- (b) To assume all school debentures of the local municipalities outstanding on the date of inauguration, without adjustment.
- (c) To receive and expend for the above purposes all legislative grants presently paid to local school boards in respect of capital expenditure for public elementary and secondary schools in the metropolitan area and, subject to the approval of the Ontario Municipal Board, to issue new or refunding debentures to finance the capital expenditures undertaken or the retirement of the debentures assumed.
- (d) To select and purchase school sites; and to regulate and control the capital expenditures of local boards subject to a right of appeal to the Ontario Municipal Board.

COMMENT:

It is a fundamental principle of these proposals that the resources of the metropolitan area may justifiably be used to provide essential school accommodation up to a reasonable minimum standard only. That standard would be determined from time to time by the Metropolitan Council after consultation with local boards and officials of the Department of Education. If local boards with the approval of their respective local councils desire to provide extra accommodation, the additional expenditure would have to be provided by local levies on the ratepayers within the municipality or school area concerned. At present a local board wishing to incur a capital expenditure must secure the consent of either the local council or the ratepayers, and the local council must then obtain the approval of the Ontario Municipal Board. It is proposed that under the new system the local board would submit its proposed capital expenditures to the local council showing separately the amounts proposed to be financed by the Metropolitan Council and the cost of additional accommodation to be met from local taxation. If the local council approves it would include the proposal in its annual program of proposed capital expenditures for all purposes and seek the approval of the Metropolitan Council. If the local council refuses to approve,

the local board should have the right to apply directly to the Metropolitan Council, and if both councils reject the proposal the school board should be given a final right of appeal to the Ontario Municipal Board.

In conformity with the legislation applicable to all municipalities and local boards,¹ the Metropolitan Council will, in any event, have to secure the approval of the Ontario Municipal Board before it can issue debentures. The Metropolitan Council should, in the opinion of the board, have exclusive power to issue debentures for public or secondary school purposes including the amounts representing the cost of extra accommodation, but it would collect the debt charges representing such accommodation from the local council concerned.

The present right of the local school board to require a vote of its ratepayers in respect of a capital proposal would, in the board's opinion, be impracticable and unnecessary under the proposed new system. Most, if not all, of the cost of new school accommodation would be charged against the ratepayers in the entire area but they could not be expected to be familiar with the needs of a particular section. For this reason it is proposed to substitute a definite right of appeal to the Ontario Municipal Board. This right of appeal to an independent tribunal would also protect any local board having any reason to complain that the Metropolitan Council had not given fair and impartial consideration to the needs of the local district.

The proposal that all legislative grants in respect of capital expenditures should be paid to and expended by the Metropolitan Council requires some explanation. As will be seen later, the board is making a similar proposal with respect to maintenance grants. The board's recommendation for the payment of all legislative grants to the Metropolitan Council is based upon its conviction that the rather complicated grant formulæ in the present regulations which are clearly designed to recognize existing variations in local resources in different classes of municipalities throughout the province would become both unnecessary and highly inequitable if the very substantial pooling of local resources in the Toronto area recommended by the board in these proposals is carried out. The board has already indicated that it does not

¹*The Ontario Municipal Board Act, Sec. 67.*

consider that it has any duty or responsibility in these proceedings to pass judgment upon the present system of provincial grants in aid of education, notwithstanding references to that subject in the evidence and argument. It is satisfied that this difficult and controversial question is essentially a matter of government policy and the responsibility of the legislature. It may not, however, be improper to point out that one practical result of the present system has been to perpetuate the anomalous position of many of the metropolitan municipalities which have obviously outgrown their former status as rural municipalities. The board feels that it should also recommend that at least in the initial period of operation of the new metropolitan government, the support of the schools in the growing metropolitan area now provided by the government of the province should not be reduced as a result of the reorganization of the local government. In the board's opinion, the principles now recognized in the revised regulations¹ applicable to annexation of larger areas should be extended to the metropolitan area if a new form of metropolitan government based on these proposals is instituted.

In the above proposals it is assumed that under any plan of metropolitan government the assessment of all property on a uniform basis by the central authority will be considered essential.

B. MAINTENANCE AND ADMINISTRATION COSTS

- (a) **To finance from legislative grants and from the proceeds of common public and secondary school tax rates to be levied by the Metropolitan Council on all public and secondary school ratepayers in the area, such portion of the annual cost of providing public elementary and secondary education for all pupils in the metropolitan area, as the Metropolitan Council from time to time determines should be provided by uniform metropolitan taxation.**
- (b) **To receive and expend for the above purposes all legislative grants in respect of school maintenance now paid to local school boards other than grants payable to local boards for books, milk distribution and similar special purposes.**

¹O. Reg. 262-52, General Legislative Grants 1952.

- (c) **To require that a local board send pupils to schools in a neighbouring municipality or school area or to admit pupils from a neighbouring municipality or school area.**
- (d) **To provide, in its discretion, transportation of pupils from one school district or municipality to another at the expense of the metropolitan area.**

COMMENT:

It will be seen that the proposals with respect to maintenance costs follow the general principle underlying the recommendations respecting capital expenditure. Generally speaking, the combined resources of the entire area are to be made available to support education and to overcome the most serious inequities of the present situation where some parts of the area do not have the financial resources required to provide even the bare essentials in the way of education, while others, because of the concentration of non-residential assessment or for other reasons, have taxable resources which in comparison are much greater than their needs. It is not proposed that the Metropolitan Council should assume the functions of a metropolitan board of education. It is intended to be a special type of municipal council exercising an overall co-ordinating and financing authority comparable with that of an ordinary municipal council with relation to its local boards. Local boards of education would be continued and would retain almost all their present powers, duties and responsibilities, but a major source of revenue would be provided by the Metropolitan Council with a corresponding reduction in local levies. As in the case of capital expenditures, they would be at liberty to provide additional maintenance expenditures for their own pupils without limitation, but these additional expenditures would be financed as at present by local taxation only.

The importance of a continuing local responsibility for, and interest in, local schools, which has been a distinctive and valuable feature of the Ontario school system since its inception, has been fully recognized, and centralization of control has been limited to matters which are considered essential to the success of the

basic scheme. The evidence presented at the hearing has convinced the board that the best interests of education in the metropolitan area will be served if the close and intimate relationship between the homes of the residents and the schools attended by their children is maintained. A number of the local communities through their democratically elected local boards have demonstrated a willingness and ability to experiment and to provide an educational program well above the ordinarily accepted standards. If the local taxpayers are able and willing to devote a large proportion of their taxation to support such a program, the board sees no reason why they should not be permitted to do so, subject to the paramount right of ratepayers in less favoured sections of the area to secure for their children a reasonable education without excessive taxation.

The proposed power of the Metropolitan Council to require the acceptance of non-resident pupils is essential if the most efficient use of existing facilities is to be obtained. It is a necessary complement of the power to control the location and construction of school buildings which is essential to intelligent planning of the future development of the area. It is also a logical result of the proposal to pool school accommodation. The schools are, in effect, held in trust by the local boards for the benefit of the present and future residents of the entire metropolitan area and should be available, if required, for the education of pupils from any part.

The Metropolitan Council from metropolitan school tax revenue and legislative grants will normally pay to each local board annually a number of dollars per pupil of average daily attendance in the school or schools maintained and operated by the local board, separate amounts being determined and paid in respect of public elementary and secondary school pupils. Special arrangements would have to be made with respect to per pupil payments and non-resident pupil fees when a local board accommodates pupils which are the responsibility of another board, but it is not anticipated that any serious difficulties will be encountered in revising the regulations applicable in such cases, and in working out acceptable solutions of the many practical problems which are bound to arise in the proposed reorganization of educational services.

PROPOSED ADMINISTRATIVE CHANGES

Establish boards of education over the whole of the Township of Etobicoke, the whole of the Township of North York, the whole of the Township of Scarborough, and the whole of the Village of Swansea.

COMMENT:

The existing organization of school boards in the metropolitan area is complicated. Within the area may be found rural school boards, union school boards, township school area boards, continuation school boards and boards of education having jurisdiction over one or more municipalities. At the time of the hearing certain parts of the area were not under the jurisdiction of any school board for secondary school purposes and the cost of supplying secondary school education in outside schools was paid through the county. This great number and variety of school boards has naturally resulted in a very considerable variation in the costs and the standards of services provided. The board has drawn attention to an increasing tendency in recent years to spread the cost of education over wider areas, both in single municipalities and in groups of municipalities, by the formation of larger school areas and boards of education. There are, however, at the present time outlying sections of the townships of Scarborough, North York and Etobicoke still under the jurisdiction of rural school boards although the process of industrialization and urban development of these regions is proceeding rapidly and may be expected to continue in the immediate future. At the time of the hearing an unusual situation existed in the Village of Swansea which had a board limited in its jurisdiction to public elementary schools.

Responsibility for overall planning for the development of the entire metropolitan area must clearly be given to the Metropolitan Council together with jurisdiction over the important urban services which will be needed. In the opinion of the board the administration of the foregoing proposals with respect to education would be greatly simplified if there could be established a board of education responsible for both public elementary and secondary school education for each municipality, or even for groups of municipalities if desired as in the case of the existing Lakeshore District Board of Education. It is, therefore, recommended that

in any legislation providing for the creation of a new metropolitan government, boards of education should be created for the whole of the Township of Etobicoke, the whole of the Township of North York, the whole of the Township of Scarborough, and the Village of Swansea. Although these administrative changes could be made under existing legislation by local by-laws, the advantages are almost self-evident and in the opinion of the board they might well be included in any legislation based upon the foregoing proposals.

In proposing that these new boards of education be created and that the existing boards should be continued, it is not by any means suggested that they must necessarily be continued in their established forms and with permanent territorial boundaries. There would appear to be no good reason why most of the existing legislation providing for changes in the composition of the areas under the jurisdiction of local boards with the approval of the Minister of Education should not continue in effect under the proposed metropolitan school organization, so that local councils will in general be not deprived of an opportunity to set up areas of school jurisdiction in conformity with well recognized divisions of community interest in the very extensive area under consideration.

4. PUBLIC TRANSPORTATION

- (a) **Exclusive jurisdiction over and responsibility for the provision of a public transportation service should be placed under the authority of a Metropolitan Transportation Commission and its powers with respect to the entire area should be substantially identical with the powers now exercised within the city limits by the Toronto Transportation Commission.**
- (b) **It is recommended that the Metropolitan Transportation Commission be composed of three members appointed by the Council of the City and two additional members to be appointed by the Metropolitan Council, and that members should hold office preferably on a staggered system for five-year terms, elect their own chairman, and be paid annual salaries fixed by the Metropolitan Council.**

- (c) The Metropolitan Transportation Commission should be authorized and required to take over all the assets and undertaking of the Toronto Transportation Commission without adjustment, together with all the assets owned by the local municipalities within the area operated by the Toronto Transportation Commission under existing agreements, and any properties held for or on behalf of the existing Commission by any of the local municipalities, and it should assume all outstanding liabilities of the existing Commission or of the municipality on its behalf.
- (d) The Metropolitan Transportation Commission should be authorized and required to take over so much of the assets and undertaking of all existing independent public vehicle operators as may be usefully incorporated in the Metropolitan transportation system, and to pay such proper compensation therefor as may be agreed upon, or in default of agreement be fixed by arbitration, the amount of such compensation to be added to the capital debt structure of the metropolitan system.
- (e) The Metropolitan Transportation Commission should be given power to contract with any local council or Metropolitan Council or the council of a municipality outside the metropolitan area to provide transportation service on an agency basis and at the risk of the contracting municipality.

COMMENT:

In the opinion of the board, the Metropolitan Transportation Commission might well be given exclusive local public transportation jurisdiction in an extended area beyond the limits of the thirteen municipalities concerned in the present application where future growth of the metropolitan area is indicated. This is, however, not considered to be an essential power in the initial period at least. Municipalities not represented in the present hearing are concerned and the present system under which public vehicle licenses are issued might require some revision if provision is to be made for the future extension of the system.

In making the above recommendations, the board has endorsed one of the most important recommendations in the report¹ prepared for the Toronto and York Planning Board by Mr. Norman D. Wilson, a recognized authority in the field of public transportation who is thoroughly familiar with all aspects of the problem in the Toronto area, and whose evidence has been of great assistance to the board.

The provision of adequate public transportation facilities is so vital to the very existence of a modern metropolitan community that the proposal to place this service under the sole jurisdiction of the Metropolitan Council needs no explanation. The impressive record of accomplishment of the present Toronto Transportation Commission in the development and operation of a great publicly owned transit system for the present city and most of its adjoining suburbs is well known, and the evidence of many witnesses has shown overwhelming public confidence in its management and in the very important principles of the legislation governing its operations. Faithful adherence to those principles is essential if this valuable asset is to be protected for the benefit of the millions of passengers to be served in the greater Toronto area.

Under the present legislation the only measure of legal control over the independent operation of the Commission, apart from the appointment of commissioners, is the provision that the capital requirements of the system must be provided through the issue of city debentures subject, of course, to the approval of the Ontario Municipal Board. Under the scheme proposed by the board, the capital financing for the purpose of the Metropolitan Transportation Commission would, of course, be provided by the issue of debentures by the Metropolitan Council on the credit of the federated area.

Although the city system has from its inception been operated at a profit and has been able in addition to make very substantial improvements and extensions in its facilities and equipment without any assistance from municipal taxation, it seems to the board desirable that the underlying liability of the metropolitan area for the provision of possible future deficits in this publicly owned

¹Exhibit 19, page 17, *A Transportation Plan for Metropolitan Toronto and the Suburban Area Adjacent*, by Norman D. Wilson, April 15, 1948.

system should be given formal recognition in any legislation enacted for the purpose of creating a Metropolitan Transportation Commission.

5. METROPOLITAN HIGHWAYS

The Metropolitan Council should be authorized—

- (a) To designate and assume as metropolitan highways any street or highway (other than a Provincial highway), or any part thereof within the limits of the metropolitan area.
- (b) To plan, construct and maintain new metropolitan highways and to widen, divert or otherwise improve any street or road which it has constructed or assumed. Its powers in respect to the assumption and construction of metropolitan highways should be similar to those possessed by counties with respect to county roads.
- (c) The Metropolitan Council should have exclusive responsibility for and jurisdiction over maintenance, cleaning (including snow removal), lighting, and traffic control on metropolitan highways, and with respect to entirely new highways or extensions it should have power to control or limit access thereto from local streets and roads with a right of appeal to the Ontario Municipal Board.
- (d) Local councils would retain all their existing powers with respect to streets, roads or bridges not assumed by the Metropolitan Council subject to any limitations contained in the metropolitan official plan. They would also retain all their powers with respect to streets under the Local Improvement Act but the corporation's share of the cost of approved local improvement works would be borne by the Metropolitan Council.
- (e) The suburbs should be relieved from their existing responsibility for the construction or maintenance of county roads, but the metropolitan area as a whole

should share with the City responsibility for the construction and maintenance of all existing or future suburban roads, and for such purpose the metropolitan area should be deemed to be a city under Part III of the Highway Improvement Act.¹

- (f) The metropolitan area should be required to make an equitable adjustment with the remaining county with respect to the future maintenance of existing county and suburban road system beyond the limits of the metropolitan area.

COMMENT:

The sharing of the cost of providing adequate arterial roads and highways serving two or more municipalities and providing inter-municipal highway communication has been an important feature of the development of municipal institutions in Ontario. It is now the main function performed by counties on behalf of their constituent municipalities and provision for the construction and maintenance of such highways, whether county or suburban roads, is the largest item in the annual budget of nearly every county in Ontario. Similarly within municipalities, large or small, municipal taxpayers have accepted as a proper subject for general taxation the cost of providing and maintaining major streets and traffic arteries. In the opinion of the board, the application of this traditional principle to the needs of a metropolitan area is merely a logical and necessary transition and failure to give adequate powers to a metropolitan authority with respect to this service would be a serious mistake. In the light of the evidence heard by the board the several municipalities cannot be expected to make any rapid progress in the development of an adequate metropolitan street system by means of voluntary agreements.

The inclusion of the twelve suburbs with the city in a federation responsible for an arterial highway system within the metropolitan area obviously requires that they should be separated from the county for highway purposes. The responsibility of the city under existing legislation for twenty-five per cent of the cost of construction and maintenance of suburban roads should, in future, be considered to be a responsibility of the entire metropolitan area.

¹R.S.O. 1950, Chap. 166.

The need for a special adjustment between the metropolitan area and the remaining county will be realized when it is understood that under the new arrangement the County of York would lose approximately 86.5 per cent of its equalized assessment but would remain liable for nearly 60 per cent¹ of the present mileage of county and suburban roads. More detailed proposals with respect to this adjustment are contained in a later section dealing with the subject of financial arrangements and adjustments.

The county and suburban roads referred to in paragraph (e) above are, of course, the portions of such roads outside the boundaries of the metropolitan area. The portions within the boundaries of the area would be immediately detached from the county system upon the establishment of the metropolitan government. The Metropolitan Council would be given the responsibility of deciding whether such portions or parts of them should be immediately assumed as metropolitan highways. Any portion of a former suburban or county road not so assumed would become an ordinary municipal road.

The board respectfully suggests that if the metropolitan government is formed and made responsible for metropolitan highways substantially in accordance with the above proposals, serious consideration should be given to the question of provincial aid by way of subsidy. Under present legislation the province contributes fifty per cent of the cost of county and suburban roads but only one-third of the cost of major streets within a city.

6. STATUTORY COUNTY FUNCTIONS

The board has previously referred to the vital interest of the County of York in the future of the twelve suburbs directly concerned in these applications. Originally they were typical rural municipalities and although their proximity to the central city resulted in the establishment of a number of residential communities around the fringes of the city and in rural villages, their economy was substantially agrarian. The rapid urbanization of larger and larger areas around the city and the great influx of a new urban population, particularly within the last two decades, have completely transformed the suburbs, have been responsible for the creation of entirely new urban municipalities, and have made

¹Exhibit 278, Statement 12.

continued suburban association with the northern rural sections of the county unrealistic. It was shown in the evidence that if these twelve suburbs were separated from the county, the county would lose no less than eighty-seven per cent of its population and the same proportion of its equalized assessment. It should be pointed out, however, that even then it would remain one of the larger counties in Ontario with a total equalized assessment in 1950 of more than \$28 million and a population slightly under fifty thousand.¹ The effect of the proposed separation of the suburbs from the county was carefully examined in a report made to the County Council by the county auditors on March 21, 1950,² and a supplementary report on March 22, 1951³ showed the effect of including all of the townships of Scarborough and Etobicoke. It is clear from these reports that county taxation in the northern municipalities would be substantially increased as a result of the proposed separation,⁴ but that this loss could be greatly reduced or even eliminated if the remaining county could be relieved from the estimated cost of maintaining a disproportionate amount of the mileage of county and suburban roads, and if the major items of estimated county expenditure were reduced by transferring the corresponding services either to the individual suburbs or to some type of metropolitan authority which would include them.

The board considered it significant also that a number of the southern municipalities have from time to time seriously questioned whether they should remain within the county, and in 1934 the County Council adopted a report of its special metropolitan area committee proposing "to divide suburban and rural parts of York County and to establish a Metropolitan County of Toronto and the suburban municipalities adjoining it".⁵

The board is now proposing that the twelve suburbs should be joined with the city in a metropolitan reorganization, and after most careful consideration of all the circumstances, it is fully satisfied that it is an essential part of this proposal that the suburbs must be separated from the county for all municipal purposes. In the preceding pages the board has set forth specific proposals for the transfer of responsibility for arterial highways which is by

¹Exhibit 278, Statements 12 and 13.

²Exhibit 273.

³Exhibit 278.

⁴Exhibit 278, Statement 2.

⁵Exhibit 69.

far the most costly service now provided by the county. In the opinion of the board the other major services for which the county is now responsible should be transferred to the proposed Metropolitan Council, and should not be left to the individual suburbs as separated municipalities as would be the case if they were permitted to withdraw from the county by special legislation in the ordinary way.

The board therefore recommends that the Metropolitan Council be required to assume and finance through metropolitan taxation on the basis of a uniform metropolitan assessment the statutory obligation of both the city and the suburbs to supply the following services.

- (a) **Hospitalization of indigent patients and post sanitarium care under The Public Hospitals Act¹ and The Sanatoria for Consumptive Act.²**
- (b) **The maintenance of neglected children under The Childrens Protection Act³ or of children committed to Training Schools⁴ and the maintenance of females committed to Industrial Refuges.⁵**
- (c) **The establishment, erection and maintenance of Homes for the Aged to serve the metropolitan area.**
- (d) **The statutory obligation of the city and the suburbs to pay their just share of the costs of the Administration of Justice and the provision and maintenance of Court Houses and Jails.⁶**

COMMENT:

With respect to all of the above services it should be clearly understood that only the statutory obligations of the city and the suburbs are to be made the responsibility of the Metropolitan Council. The board is well aware that in addition to their statutory obligations with respect to the maintenance of neglected children the municipalities have in the past made voluntary grants to Childrens Aid Societies and public hospitals and have supported

¹R.S.O. 1950, C. 307, Sec. 16.

²R.S.O. 1950, C. 346, Sec. 37.

³R.S.O. 1950, C. 53, Sec. 10.

⁴*The Training Schools Act*, R.S.O. 1950, C. 396 as amended.

⁵*The Female Refuges Act*, R.S.O. 1950, C. 134.

⁶*The Municipal Act*, Secs. 367, 373.

other institutions or agencies caring for the unfortunate. It is not proposed, however, that all municipal obligations with respect to public welfare should be made an obligation of the Metropolitan Council at the present time, nor is it proposed that the Metropolitan Council should be given any power to make voluntary grants in aid of hospitals or other worthy objects and to charge the cost against the entire area.

With respect to Magistrate's Courts and Juvenile Courts, the existing legislation provides for designation of magisterial districts¹ and the assignment of one or more magistrates to such districts. As for Juvenile Courts, the city has its own Juvenile Court and the twelve suburbs pay, as part of their county rates, their share of the cost of maintaining the Juvenile Court for the County of York. Responsibility for the designation of the territorial jurisdiction of Juvenile Courts under the existing legislation is given to the Lieutenant Governor-in-Council, and it is suggested that the metropolitan area should be deemed a city for the purpose of that legislation.² Magistrate's Courts are ordinarily sources of revenue to the municipalities and readjustment of magisterial districts should therefore present no difficulty. Juvenile and Family Courts, on the other hand, represent an item of expense and it is proposed that the necessary changes be made to require the city and suburbs to share this expense as if they were all included in one city. In drafting its recommendations with respect to the administration of justice, the board has not overlooked the peculiar position of the city and the county under an agreement made in 1884 and confirmed by private legislation the following year,³ under which the present combined City Hall and Court House was erected, or the recommendations made in the recent report of the Civic Advisory Council with respect to the City Hall and Court House requirements of the city.⁴ That report included a recommendation that a new agreement be negotiated between the city and the county under which the county should resume its statutory obligation for the provision of a County Court House to serve both the city and the county and the city should pay its just share of the cost. The board suggests, however, with every respect, that in the proposed

¹*The Magistrate's Act*, Section 7 and 8.

²*The Juvenile and Family Courts Act*, R.S.O. 1950, Chap. 193.

³48 Vic. 1885 (Ont.) C. 73.

⁴*Report of Civic Advisory Council* dated October 15, 1952.

new agreement the metropolitan area, representing an overwhelmingly large percentage of the population to be served, should not only be deemed to be a city for the purpose of determining statutory obligations but should also be required to assume primary responsibility for the provision and maintenance of the new or improved accommodation so badly needed.

7. PUBLIC HOUSING

- (a) **The Metropolitan Council in common with the local municipal councils should be given all the powers of municipalities under existing legislation relating to housing development, redevelopment areas, housing projects and emergency housing projects, including the power to enter into joint projects with the Province and the Dominion as contemplated in Section 35 of The National Housing Act.**

COMMENT:

The responsibility of municipalities with respect to the serious shortage of housing in the metropolitan area was one of the controversial questions raised in the hearing and some of the respondents, through their counsel, contended that the provision of any type of subsidized or publicly assisted housing should not be considered a proper function of municipal government. In particular, the activities of the city in providing emergency housing and in the undertaking of the Regent Park redevelopment project were the subject of some criticism. The Board does not deem it necessary in these recommendations to discuss the broad questions of public policy involved in the consideration of this problem. The fact remains that under existing legislation local municipalities possess important powers in this field, and although most of the municipalities in the area appear to have been reluctant to make use of them, it seems to the board that so long as such powers exist, similar powers should be conferred upon the Metropolitan Council. Any municipal financial burden or liability incurred in meeting the housing needs of the present or future population of the area should be shared by the entire area, and should not be imposed upon a single municipality. In the field of redevelopment it is the opinion of the board that the metropolitan area as a whole, in addition to

making adequate provision for the outward extension of municipal services in keeping with the urban expansion of the area, must also protect its sources of tax revenue from fully serviced land in the older central areas. It cannot ignore the economic waste involved in the continued existence of large blighted areas. Fundamentally these areas of blight are a product of the same economy which has produced the attractive new residential and commercial developments in the rapidly expanding suburbs, and the net municipal cost of redevelopment should be considered a responsibility of the whole area. It is perhaps unnecessary to state that in the board's view the proposed mobilization of all local resources to provide the schools and essential services required by an expanding population will be a major contribution to the solution of the housing problems of the area.

8. REGIONAL PLANNING AND ZONING

- (a) The Metropolitan Council should be given adequate powers to direct and control in a general way the physical development of the entire metropolitan area and to require local development plans and land use regulations to conform to a comprehensive plan of metropolitan development prepared by a Metropolitan Planning Board and finally adopted by the Metropolitan Council in conformity with the provisions of the Planning Act.
- (b) In the opinion of the board, a new planning area should be designated which should include the city and the twelve suburbs in their entirety, a surrounding fringe area where further urban development can be expected, and an outer fringe area where future land uses should be predominantly agricultural.
- (c) Responsibility for the preparation of a major development and land use plan for the metropolitan area and the added fringe areas should be given to the Metropolitan Planning Board, and responsibility for the adoption of this plan as it is progressively developed should be given to the Metropolitan Council alone. The representations of local councils or local planning boards, representing areas either within or beyond

the limits of the thirteen municipalities, objecting to any feature of the proposed official metropolitan plan would be made as at present to the Minister of Planning and Development, and the right to require final adjudication of differences by the Ontario Municipal Board after public hearing under the existing legislation should be preserved.

- (d) The present Toronto and York Planning Board should be dissolved to make way for the proposed Metropolitan Planning Board, but other local planning boards and their local councils would continue to exercise their existing powers with respect to planning and zoning except that all local official plans, local zoning by-laws and public works would be required to conform to the Metropolitan Official Plan.
- (e) The Metropolitan Council as well as the local councils should be given the power to pass by-laws designating areas of subdivision control, and all applications for approval of draft plans of subdivision under existing legislation should be referred for comment to the Metropolitan Planning Board, as well as to any local council or local planning board concerned. The Metropolitan Council and the Metropolitan Planning Board should have the right to require the reference of a draft plan to the Ontario Municipal Board provided in the present legislation.

COMMENT:

As previously stated the present division of jurisdiction with respect to community planning and the control of land uses is considered by the board to be a most serious weakness of the present system of local government. No intelligent or efficient extension of municipal services throughout the metropolitan area can be expected in the absence of a comprehensive metropolitan plan of development and some centralized control of major land uses. Inevitable difficulties and controversies which accompany the sincere efforts of municipal councils to exercise this vital function of local government are multiplied when it is necessary to

obtain the concurrent consent of a number of local authorities concerned only with their own problems. For this reason the board recommends that responsibility for metropolitan planning and general land use control should be given to the Metropolitan Council.

Local planning boards and councils would continue to exercise an important and indeed an indispensable function in providing for the orderly development of their local communities in accordance with the wishes of the majority of their ratepayers, subject to the approval of the Ontario Municipal Board required under existing legislation.¹ Any local municipality considering itself aggrieved by any provision of the Metropolitan Official Plan might well be given, in addition to its existing right to have the application for initial approval referred to the Ontario Municipal Board, a right to apply for an order requiring an amendment refused by the Metropolitan Council.

There are many indications that the process of urbanization, which is rapidly approaching the boundaries of the suburbs, will extend beyond those limits in the immediate future, and the board considers it essential in the interests of the entire area, that the Metropolitan Council should be given a reasonable degree of planning control over the so-called "fringe areas" otherwise beyond its jurisdiction. It is an unfortunate fact that most rural municipalities fail to recognize the need to control and direct their physical development until irreparable mistakes have been made. It seems to the board that in the interests of both the metropolitan area and the municipalities beyond its borders, it is essential that a truly regional plan of development must be made for the entire metropolitan area and the adjacent areas required either for its expansion or its protection. The exact limits of the "fringe areas" to be included should be determined by the Minister of Planning and Development after consultation with the municipal councils and planning boards concerned.

9. METROPOLITAN PARKS

- (a) **The Metropolitan Council should be given adequate powers to establish and maintain a system of metropolitan parks and recreation areas, including the power to take over all or any part of an existing park**

¹*The Municipal Act*, Sec. 390.

established and maintained by any local municipality in the area.

- (b) The Metropolitan Council should also be given the power to establish a Metropolitan Parks Commission to assume the general management, regulation and control of the metropolitan parks system, corresponding to the power now possessed by the counties and cities to establish Boards of Park Management under The Public Parks Act,¹ but the by-law establishing such commission should not require the assent of the electors if passed by a two-thirds vote of all the members of the Metropolitan Council.

COMMENT:

Although the question of parks and recreation areas to serve the present and future population of the metropolitan area was mentioned only briefly in the evidence, the board considers it a matter of great urgency and importance. The need for early and effective action on behalf of the whole area is well stated in the following quotations from one of the exhibits.²

“Consideration of land uses involves the question of the desirability of reserving for green belt and park purposes lands in the Metropolitan Area of which the most beneficial use for topographic reasons is public recreation.

“These are found in the beautiful wooded valleys of the Don and the Humber which, with their tributaries, practically encircle the city and many of the adjoining urban areas. These valleys are a natural heritage with limitless potentialities if we have the foresight to recognize them and the courage to preserve them.

“Plan No. 9 shows the areas selected by the board for this purpose. They comprise some 4,791 acres, of which 890 acres are included in golf courses and 1055 acres are already municipally owned. It also shows the golf courses and the dedicated park lands in the Metropolitan Area. The paucity of park lands in the suburban area is a striking argument in

¹R.S.O. 1950, C. 314.

²*Exhibit 4; Toronto and York Planning Board, First Report, December 1, 1949, p. 35.*

favour of a comprehensive suburban parks system before building development renders the same impractical.

“The board feels that anyone, either with or without municipal or planning experience, will recognize the desirability of preserving this green belt as a park area not only for its recreational value, but also in order to introduce a break in the endless extension of bricks and mortar and pavement with which the area is threatened. If established this green belt will form a breathing space for the future inhabitants of the metropolis whether they are within or without its boundaries.”

In the opinion of the board, the difficulties and delays involved in attempting to secure concerted action on the part of two or more local authorities in the acquisition and financing of an integrated well-planned metropolitan park system have, up to the present time, prevented real progress in this important matter, and it is essential that there should be a centralization of authority for this purpose and that the cost should be equitably distributed over the entire area.

10. ASSESSMENT, TAXATION AND FINANCE

- (a) **The Metropolitan Council should be given exclusive responsibility for the assessment of all taxable property within the area, whether for local or metropolitan taxation, on a uniform basis in accordance with The Assessment Act.**
- (b) **The Metropolitan Council should be authorized to take over all local assessment departments with their records, equipment and personnel and to assume responsibility for all the costs of assessment incurred after the effective date.**
- (c) **As early as possible in the year preceding the effective date of operation under the proposed metropolitan government, the provisions of Sections 12 to 22 of The Greater Toronto Assessment Board Act¹ should be made effective to ensure the preparation of a uniform metropolitan assessment as a basis for taxation for the first year of operation.**

¹15 Geo. VI (1951), C. 31.

COMMENT:

It was apparent to the board at an early stage of the proceedings that regardless of the result of the applications before it, the making of a uniform assessment of the taxable property in the entire metropolitan area was essential to the operation of any type of metropolitan government, and on March 22, 1951, the board assumed the responsibility of making a recommendation to that effect. The recommendation was accepted and legislation adopted providing for the appointment of The Greater Toronto Assessment Board¹ which has since been engaged in the task of making valuations essential to the preparation of a uniform metropolitan assessment. The legislation also authorizes The Greater Toronto Assessment Board to direct and control the making of assessments and the preparation of assessment rolls in each municipality upon the issue of a proclamation bringing into force Sections 12 to 22 of the Act, which will require that all local assessments be made under the direction and supervision of The Greater Toronto Assessment Board. Although the legislation provides that the enabling proclamation should be issued before the 15th day of December in any year to be effective the following year, it is essential that the work of preparing local assessment rolls on a uniform basis be carried on in advance of the actual establishment of a metropolitan government, and it is therefore suggested that the enabling legislation should contain a suitable provision to that effect. The various local assessment departments would then continue to function as at present, and at the cost of the local municipalities, but under the supervision and control of The Greater Toronto Assessment Board until the actual commencement of operations under the new system. Local assessment departments would then be taken over and the assessments made under the direction of a metropolitan assessment commission or commissioner appointed by the Metropolitan Council.

The first Metropolitan Council would undoubtedly be constituted some time before the effective date of operation under the new system and it should have power to set up its organization and to appoint its officers in advance of the effective date.

The annual assessments upon which metropolitan rates would

¹*The Greater Toronto Assessment Board Act, 1951.*

be imposed should unquestionably be the basis of local taxation as well, so that the same property would not be assessed in two different ways for different purposes. Undoubtedly, at the outset at least, the various existing assessment departments would become administrative divisions of the metropolitan assessment department and their existing personnel would, after the effective date, become the employees of the Metropolitan Council.

- (d) **The Metropolitan Council should be authorized and required to prepare and adopt annual estimates of all sums required for its purposes, and to require each local municipality to pay its proportionate share thereof, according to the last revised metropolitan assessment roll, to the proper officer of the Metropolitan Council within fixed dates, in a manner similar to the levy and collection of county rates. The amounts so levied should constitute a debt of the local municipality to the Metropolitan Council and penalties should be provided for non-payment within the dates fixed.**
- (e) **The local councils should also be required to pay to the proper officer of the Metropolitan Council the annual sums required to meet payments of principal and interest falling due in the year on any debentures issued for local purposes which are repayable by the local municipality and any other sums which the Metropolitan Council is authorized to levy upon defined areas.**

COMMENT:

The Metropolitan Council in the view of the board will be a municipal government in every respect and not a mere administrative agency. It will have very important taxing powers but unlike local municipalities it will not collect its levies directly from the ratepayers in the area. In this respect its powers are intended to be similar to those of a county council.

- (f) **In determining the proportionate share of metropolitan taxation to be paid by a local municipality for metropolitan purposes, exemptions, or partial**

exemptions, from assessment or taxation heretofore or hereafter granted by the local municipality under any general or special legislation should not apply.

COMMENT:

Under the present Assessment Act, for example, the council of any local municipality may by by-law exempt from general taxation for a period not exceeding ten years, dwelling houses assessed at not more than \$3,000 owned and occupied by active service veterans of the last war, and the council of a city, town or village may with the assent of the electors provide for a graduated partial exemption of dwelling houses assessed for not more than \$4,000.¹ Other sections of The Assessment Act and The Municipal Act, and perhaps special legislation applicable to particular local municipalities, enable local councils to provide for fixed assessments or partial exemptions under certain conditions. In the opinion of the board, no such partial exemption or fixed assessment should apply to reduce a local municipality's share of metropolitan taxation.

- (g) **The Metropolitan Council should be given exclusive power, subject to the approval of the Ontario Municipal Board, to issue debentures both for the purposes of the Metropolitan Council and for the purposes of the local municipalities or their local boards, and all such debentures should be issued on the credit of the metropolitan area at large, and should be a joint and several liability of the metropolitan area and of every local municipality forming part thereof.**
- (h) **The interest and principal payments on debentures issued or assumed by the Metropolitan Council for metropolitan purposes should be provided by annual metropolitan levies, and the interest and principal payments on debentures issued for local purposes should be provided from the proceeds of local levies made by local councils on the direction of the Metropolitan Council.**

¹*The Assessment Act, Sec. 34.*

- (i) **The Metropolitan Council should also be given all the powers of a municipality to make temporary loans for current purposes and for the purpose of financing capital expenditures pending the issue of debentures.**

COMMENT:

The transfer to the Metropolitan Council of important powers and responsibilities with respect to essential services and the obligation imposed upon it to assume outstanding capital indebtedness in respect of such services necessarily requires that the Metropolitan Council must be given adequate powers to finance current and capital expenditure by temporary borrowing and by the issue of debentures on the credit of the entire area. This immediately raises the question whether the local municipalities should be permitted to issue debentures on their own credit for local purposes. The board realizes that its proposal that this right should be withheld seems drastic and unnecessary. It believes, however, that after careful consideration of the situation which would result if the thirteen separate municipalities and the Metropolitan Council on behalf of all of them had the right to issue a great variety of securities and in effect to compete with each other in the money market, it will be realized that it is in the best interests of all the municipalities that all borrowing powers should be centralized in the Metropolitan Council.

It is sometimes forgotten that no municipality in Ontario now possesses the right to issue debentures to finance its capital expenditures. Since 1935 every municipality regardless of its size or resources must in addition to complying with important restrictions contained in the Municipal Act and other legislation, and in addition to securing the assent of the electors entitled to vote on money by-laws when required, apply for and obtain the approval of the Ontario Municipal Board before it can issue debentures or authorize or proceed with any undertaking the cost of which is intended or required to be provided or raised in a subsequent year or years.¹ This drastic limitation of the former municipal borrowing power was a direct result of the disastrous municipal defaults which occurred in the years immediately preceding the year referred

¹*The Ontario Municipal Board Act, Sec. 67.*

to. In that troubled period, more specifically between January 1, 1932 and July 1, 1935, all of the suburbs concerned in these applications, with the exception of Forest Hill and Swansea, were obliged to default on their funded indebtedness.¹ Under these circumstances, it seems to the board that its present proposal does not actually reduce the existing borrowing powers of the local municipalities.

However, the principal reason for the consolidation of all local municipal borrowing powers in the Metropolitan Council is the conviction of the board that in the interests of every part of the entire area it is essential that the immense volume of capital expenditures which will be necessary to provide the great variety of costly public works and schools needed throughout the area should be continuously co-ordinated and fitted into a consolidated capital works program and financed at rates commensurate with the combined credit and resources of all the local municipalities. Under present conditions the thirteen municipalities are, in effect, competing with each other in a market in which the supply of capital for investment in municipal securities is always limited. In this period of an expanding national and provincial economy when both senior governments are also faced with heavy capital expenditures, the need for orderly carefully-timed municipal financing is paramount. Moreover, it must be evident to anyone considering the capital requirements of the city and the suburbs resulting from the substantial deferring of capital projects during the recent war and the unprecedented post-war expansion that one of the most pressing needs of the entire area is the preparation and use of a comprehensive metropolitan capital works priority program, prepared and periodically revised after careful consideration of the proposals of all the local municipalities. In the opinion of the board, the responsibility for the adoption and effective use of a capital works priority program for the entire area must clearly be given to one central authority, and if such a program is to be made effective, the Metropolitan Council should clearly have the exclusive right to issue debentures for any purpose, subject, of course, to the approval of the Ontario Municipal Board as required by the existing legislation.

In the event that any local municipality considers itself

¹*Exhibit 132*, page 12.

aggrieved by the refusal of the Metropolitan Council to issue debentures for some purpose requested by the local council, or by the assignment of a low priority to a proposed work, it might well be given a right of appeal to the board on notice to the Metropolitan Council and all other local councils. In the opinion of the board, such a right of appeal should be confined to the initial period and the ultimate responsibility of the Metropolitan Council, a municipal government representing all sections of the area, should be firmly recognized. Its powers and obligations in the determination of capital works priorities will be in every way comparable with those of any ordinary municipal council except that they will be exercised with respect to a group of federated municipalities.

Before completing this brief explanation of the proposed financial powers of the Metropolitan Council some consideration must be given to the question of adjustment of assets and liabilities. The board has already pointed out the need for a special adjustment between the metropolitan area and the remaining county arising from the fact that the northern municipalities with less than fifteen per cent of the county equalized assessment would have to assume the county's portion of the cost of maintenance of nearly sixty per cent of the mileage of the existing county and suburban roads. Under the present legislation, the cost of construction and maintenance of approved county roads is shared equally by the county and the province. The province also pays half of the cost of constructing and maintaining suburban roads and the balance is shared equally by the city and the county.¹ There were 331.48 miles of county and suburban roads in the county at the time of the hearing, but 129.91 miles of suburban roads and 69.98 miles of county roads totalling nearly 200 miles were located in the northern municipalities. This extensive road system was built by the largest and wealthiest county in the province and the very high percentage of suburban road mileage clearly shows the effect of the substantial contributions of the city in the past. It is very evident that this large mileage of improved arterial roads was built by the county in good faith and on the assumption that the very great concentration of taxable assessment in the suburbs would be available to meet a large part of the cost of future maintenance. Under these circumstances, the board feels that it would be highly inequitable to

¹*The Highway Improvement Act*, R.S.O. 1950, C. 166, Parts II and III.

require the remaining county to pay half the cost of future maintenance of the northern county roads, and the metropolitan area as a whole should in all fairness be required to make some financial compensation to the remaining county. Compensation could be made either by way of a cash settlement or an annual contribution with the amount determined by mutual agreement, and in default of agreement by this board. In determining the amount to be paid to the county, allowance should be made for the termination of the county's liability to assist in the maintenance of the county and suburban road mileage assumed by the Metropolitan Council or individual suburbs.

Turning to the larger question of a general adjustment of assets and liabilities with respect to the assets to be taken over by the Metropolitan Council in the foregoing proposals, it is the considered opinion of the board, as previously stated in the specific proposals, that these assets should be taken over and operated for the benefit of the entire area without adjustment except for the assumption of outstanding indebtedness. In the board's opinion, the true nature of these assets is often misunderstood. Although they have been built and financed by the various individual municipalities and their local boards, they are not in a legal sense the property of the residents or ratepayers for the time being resident within the municipality where the assets are located. They are, in every sense of the word, public property and are held in trust for the use and benefit of the present and future residents of the area within the jurisdiction of the local authority. But that area has no fixed and predetermined limits and it may be indefinitely enlarged or included with other areas for the purposes of local government at the will of the legislature. The municipal government is, after all, a government and not a commercial corporation which can wind up its affairs, sell its assets and distribute the proceeds among its shareholders. For this reason it seems to the board that so long as the residents of the particular area are not deprived of the beneficial use of the assets built or maintained for them by their local government, the management and operation of the asset by a new type of local government which will be, in effect, a new trustee, deprives them of no rights whatever, and entitles them to no individual or collective compensation.

Many of the most valuable assets to be transferred, such as the water works plants and the valuable undertaking of the Toronto Transportation Commission, have been paid for by the consumers and not by taxpayers, and a considerable portion of the revenue earned has been provided by the residents of the suburbs. While other assets have been built entirely out of taxation, size and capacity has in nearly every case been limited to the needs of the residents of the limited area providing the tax revenue. It is true that some of the municipalities, more particularly the city, have undertaken costly street extensions, widening and improvements which are used by the residents of the city and suburbs alike, but such streets are public highways and no municipality can legally prohibit their free use by the travelling public or proceed on the theory that they are the exclusive property of the taxpayers within the particular municipality providing them.

For these reasons the board is of the opinion that the assets to be transferred to the Metropolitan Council under the foregoing proposals should be taken over without adjustment but subject only to the assumption and payment of outstanding capital indebtedness incurred by any local municipality for their construction, extension or improvement.

The board recognizes that there will be many practical problems to be considered and provided for if the board's major proposals for metropolitan taxation and finance are made effective. For many reasons it is impossible at this time to present a plan which is complete in every detail. It is hoped, however, that when the fundamental principles underlying the proposals are understood, detailed provisions can be framed without serious difficulty.

IX. PROPOSED CONSTITUTION OF THE METROPOLITAN COUNCIL

Having outlined its recommendations for the division of powers and responsibility between the central and local authorities, the board must now deal with the second major problem involved in the formation of the proposed federation, namely the constitution and organization of the Metropolitan Council. The subject is undoubtedly difficult and there will be many strong opinions as to the size, term of office, qualification, method of selection, and the extent to which territorial representation must be secured. In the opinion of the board it is not essential at the present time that the final form of organization should be determined and there are many sound reasons for adopting the expedient of providing in the first instance for an interim council for a fairly long initial period on the understanding that both the Metropolitan Council and local authorities, including advisory bodies, will give further serious consideration to the subject with a view to future legislative amendments. The specific proposals to follow have therefore been designed to provide a purely temporary council during the critical initial period of operation under the proposed reorganization.

It has been very apparent to the board throughout the course of the hearing that there is at the present time a serious cleavage of interest between the city on the one hand, and the entire group of suburbs on the other and, until a better spirit of metropolitan unity is achieved, this cleavage must be recognized by giving equal representation to the two major divisions of the metropolitan population, notwithstanding the theoretical advantages of representation by population.

It should not be forgotten also that the population of Toronto may be expected to decline while that of the suburbs as a group is expanding so rapidly that in a comparatively short time it may equal or exceed the population of the central city. In the initial period, at least, it seems desirable that neither the city nor the suburbs should be in a position to dominate the central authority. The board gave some consideration to the possibility of providing at least one member from each of the existing local municipalities, an equal number from the city, and one or more members to be

appointed by the Lieutenant-Governor in Council, but this would result in the Metropolitan Council having at least twenty-five members, and in the opinion of the board, it is essential that the size of the council be kept to a minimum. It is recommended therefore, that in the initial period that the Metropolitan Council be composed of nine members comprising four members to represent the city, four members to represent the suburbs as a group and one member who should be the chairman or head of the council to be appointed by the Lieutenant-Governor in Council.

The Metropolitan Council will be a taxing authority and its members should therefore be elected, but, in the view of the board, there are serious objections to any plan for the direct election of the members who will constitute the first council. Although in the city well qualified leaders would probably be known throughout the municipality, the situation is much different in the suburbs, and it is doubtful whether the suburban electors could be expected to know the records and qualifications of candidates who do not reside in their own municipality. Moreover, the question whether the election of members should be an election at large or by wards or metropolitan electoral divisions is one which would seem to require further study and consideration before a final decision is made.

The board therefore recommends that the city's four members should be appointed by resolution of the city council and that the four members representing the suburbs be appointed by four groups of suburban councils in joint sessions called for the purpose. For example, Weston, Swansea, Mimico, New Toronto, Long Branch and Etobicoke forming together what might be called the "Western Division" of the suburban area might form one group and their municipal councils, in joint session could be given the right to appoint one member. Similarly, a "North-Western Division" composed of York and Forest Hill; a "Northern Division" composed of Leaside and North York, and an "Eastern Division" composed of Scarborough and East York, would each appoint a member to the first council. Although the latest figures are not immediately available, the board believes that there would not be too great a disparity in the comparative populations of these four groups. It is suggested that in the joint meetings each member of each local council should be entitled to one vote, regardless of the size of the municipality or the size of its council.

As for the qualification of members, it is recommended that

persons resident in the metropolitan area and qualified to vote on money by-laws in any area municipality should be eligible, but that no member, officer or employee of any local council or local board should be permitted to sit or vote as a member of the Metropolitan Council. Any such person appointed or elected to the Metropolitan Council should be deemed to resign automatically from his position in the local municipality. In the opinion of the board, the duties and responsibilities of the Metropolitan Council will require the full time and attention of every member. Members should not be considered to be the delegates or representatives of any local council and be permitted to sit on two municipal councils at the same time as in counties. For the same reason it is recommended that no member of the legislature or of the parliament of Canada should be eligible to act as a member of the Metropolitan Council.

In view of the important responsibilities of the members and the need to attract candidates of high calibre who are prepared to devote their full time to the government of the metropolitan area, it is recommended that substantial annual salaries be fixed for all members in any legislation establishing the proposed metropolitan government.

There remains the important question of the proper term of office for members of the Metropolitan Council. In the opinion of the board there is a widely recognized need for longer terms of office in the larger municipalities and there is sound reason for believing that in a major metropolitan area where the elected representatives are expected to formulate wise long-term policies and to control the expenditure of millions of dollars, the term of office should be as long as that of members of the legislature of the province. However, for the present, it is the recommendation of the board that the term of office of the members of the Metropolitan Council should be not less than three years.

As previously mentioned, the first Metropolitan Council should be appointed well in advance of the effective date of the operation of the new government so that it may have an opportunity to obtain and equip administrative offices, appoint its officers and staff, and arrange with the officers of the local municipalities and local boards for the orderly transfer of the assets and services which will become its responsibility. It will be necessary also to make some suitable provision for its expenditures during this period of organization and preparation.

X. FUTURE TERRITORIAL CHANGES

The geographical area which should be included in the proposed federation and placed under the jurisdiction of the Metropolitan Council for the purposes of metropolitan government should from the very beginning comprise the city and the twelve suburbs which have been directly concerned in these applications. In the opinion of the board it would be extremely unwise to attempt to exclude any of the outlying sections of North York, Scarborough or Etobicoke which are still used chiefly for agricultural purposes but which are in every proper sense a part of the metropolitan area and in the direct path of its continued outward expansion. It should not be assumed, however, that it is the opinion of the board, that the present outer boundaries of these thirteen municipalities should be considered the permanent limit of the jurisdiction of the proposed federation of municipalities. In its first report¹ the Civic Advisory Council emphasized the danger of attempting to designate the extent of a metropolitan community with reference to existing political boundaries, and after describing the factors which it considered significant concluded that an appropriate area should first be determined by the use of such tests, and that subsequently for practical reasons the nearest political boundaries enclosing the true metropolitan area should be used. They therefore concluded and recommended that in addition to the so-called traditional municipalities, the metropolitan area of Toronto should be deemed to include all the areas bounded by Lake Ontario, the eastern boundary of the county, the northern boundaries of Markham and Vaughan Townships and the northern and western boundaries of Toronto-Gore and Toronto Townships in the County of Peel. Its conception of the metropolitan area would add ten more municipalities comprising an additional two hundred and twenty thousand acres of land with a 1950 population of some fifty thousand people to the area of the thirteen municipalities concerned in the present applications amounting to more than one hundred and

¹Exhibit 5, pages 1 to 5.

fifty thousand acres¹ with a 1950 assessed population of more than one million persons.

The board does not consider it necessary or desirable at this time to determine the proper limits of the future metropolitan area, provided that the boundary recommended in the initial period is deemed a temporary boundary only and that there is no repetition of the errors of the past in neglecting to provide for future growth. Intensive urban development of extensive areas in a number of outside municipalities is now taking place and the need for immediate planning and supervision of that development in the interests of the metropolitan area of the future has been recognized in the board's recommendations for regional planning.

It seems to the board, however, that the areas which may later be included in the metropolitan area should be entire municipalities and not unorganized portions of them, and that if a particular community desires admittance to the federation, it should first be incorporated as a separate municipality, or, in the alternative be annexed to one of the present suburbs. The reason for this recommendation is apparent when it is remembered that the proposed Metropolitan Council will be constituted to deal only with local municipal councils which have independent local taxing powers. Subject to this qualification, there seems to be no good reason why future additions to the area should not be permitted and even encouraged within reasonable limits. Such additions could be made either by an act of the legislature or by an order of this board on the application of the Metropolitan Council, any local council already within the area, or any existing or future local council now outside the proposed area.

The need of future changes in the boundaries of the city and the twelve suburbs concerned in the applications must not be overlooked. In many cases these boundaries have been the result of purely arbitrary decisions or the result of temporary influences and do not now conform to natural or logical divisions of community interest. It is also quite possible that within some of the larger municipalities the process of further division by separate incorporation may continue as in the past. It would appear that existing legislation provides an adequate method of making interior changes by way of annexation or even interior amalgamation in a

¹Exhibit 5, Table 1.

proper case.¹ If further division by way of incorporation is desired the board now has power to erect a village into a town and a town or township into a city if it has the necessary minimum population.² The power to create a village, however, is now vested in the county council³ and if the suburbs are separate from the county it would seem necessary to transfer this power either to the Metropolitan Council or to this board as may be thought advisable. It seems desirable also that some method should be provided to divide townships into smaller townships.

¹*The Municipal Act*, Sec. 20.

²*The Municipal Act*, Sec. 17.

³*The Municipal Act*, Secs. 11 and 12.

XI. SUMMARY AND CONCLUSION

The board ventures to hope that when the somewhat detailed specific proposals set forth in the foregoing pages are reviewed in their entirety and considered with reference to the general principles of the proposed solution, it will be found that there has been a consistent effort to prepare a plan which will satisfy the most immediate needs of the Toronto metropolitan municipalities, and at the same time will avoid the most serious objections to continued independence or outright consolidation. The board has also quite frankly attempted to prepare a plan which may be considered acceptable and practicable and not too far in advance of the existing general level of public opinion and information in the whole metropolitan area. No form of government, national, provincial or local, can be expected to survive for any length of time unless it satisfies the great majority of the people it is intended to serve. The board is convinced that there is a growing sense of metropolitan unity in the Toronto area and a widespread recognition of the need for a better form of local government. It is also convinced that at the present time and perhaps for a long time to come there will be an equally strong demand for the preservation of purely local units of government and a general recognition of their value.

In the end the form of organization of municipal institutions in the area will depend upon the gradual evolution of public opinion and demand. No plan which may be advanced for the reform of the existing system of local government in the Toronto area can be made effective without some objections. The board feels that its proposals represent no more than a forward step in the solution of an extremely difficult problem and that its plan is essentially a natural and logical transition from an out-moded system of municipal autonomy to a municipal federation for certain definite purposes. It is undoubtedly based on a substantial sharing of resources and responsibilities and a transfer of some local municipal powers to a joint central authority, but the principal of municipal federation in counties has always been an important feature of the organization of municipal institutions in Ontario.

A number of fundamentals of the county type of federation which have survived the test of long experience may be recognized in the board's proposals. The sharing of certain common responsibilities and the provision of important common services at the expense of the whole county distributed according to relative ability to pay is surely a basic principle of the county system. Again, in the county no single municipality regardless of its size or population or the amount of its assessment can control or dominate the federation, nor may it decide whether it enters or remains within the union as this is a prerogative of the legislature and a matter of provincial rather than local policy. The services provided by the county are not limited merely to physical services maintaining or improving the value of land. They include many costly services presently required by the population of the county such as assistance to the sick and the aged, the maintenance of neglected children, the administration of justice and, to a large extent, the construction and maintenance of a system of arterial roads. Most significant in the board's opinion is the acceptance of the principle that there is no expressed or implied obligation to distribute the benefit of services financed by county levies among local municipalities in proportion to their respective contributions. The same principle is necessarily applied by the provincial and national governments in their respective fields. It seems to the board that the success of any plan of metropolitan government for the Toronto region will to a large extent depend upon a more general acceptance of this principle by the city and its suburbs in the field of local government.

The plan proposed by the board cannot, of course, be made effective without extensive new legislation. The source of all municipal powers is the legislature and it must always decide when the time for any needed reform has arrived. The responsibility of the legislature has never been better stated than in the following quotation from an important judgment of the Privy Council¹ which was referred to by counsel for Mimico in his concluding argument in these proceedings.

"The Province has exclusive legislative power in relation to . . . Municipal Institutions in the Province. Sovereign within its constitutional powers the Province is charged with

¹*Ladore vs. Bennett* 1939 A.C. 468, (1939) 3 D.L.R. 1 at p. 6.

the local government of its inhabitants by means of municipal institutions. If local government in any particular area becomes ineffective or non-existent because of the financial difficulties of one or more municipal institutions or for any other reason, it is not only the right but it would appear to be the duty of the provincial Legislature to provide the necessary remedy, so that the health of the inhabitants, and the necessities of organized life in communities should be preserved."

COSTS:

It is necessary, before concluding, to deal with the question of the costs arising out of and incidental to the applications which have been under consideration. Under ordinary circumstances the board requires unsuccessful applicants to pay the fees of the board and any expense incurred in reporting the proceedings. However, special circumstances exist in the present case and the board will make no order as to costs. The applicants, although they have not obtained the specific relief which they sought, have shown the urgent need of some major reform of the existing system. In this they have performed a public service and in the opinion of the board the expense of reporting the proceedings should be absorbed by the Province.

Dated at Toronto, this Twentieth day of January, A.D. 1953.

(Sign.) *Lois R. Cumming*

Chairman

(Sign.) *W. J. Moore*

Vice-Chairman





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